

CALIFORNIA HIGH-SPEED RAIL AUTHORITY
MONTHLY MEETING

TRANSCRIPT OF PROCEEDINGS

Sacramento City Hall
915 I Street, City Council Chambers
Sacramento, California 95814

Thursday, February 2, 2012

10:03 a.m.

BRITTANY FLORES

CERTIFIED SHORTHAND REPORTER

LICENSE NO. 13460

A P P E A R A N C E S

BOARD MEMBERS

Mr. Thomas Umberg, outgoing Chairperson

Mr. Dan Richard, incoming Chairperson

Mr. Tom Richards, vice-chair

Ms. Lynn Schenk, vice-chair

Mr. Jim Hartnett

Mr. Russel Burns

Mr. Michael Rossi

STAFF

Mr. Roelof van Ark, Chief Executive Officer

Ms. Lisa Toof, Executive Assistant

ALSO PRESENT

Thomas Fellenz, Esq., Legal Counsel

Mr. Mark McLoughlin, staff

Mr. Mark Wiseman, Bakersfield-Palmdale, planning manager

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1 SACRAMENTO, CALIFORNIA, February 2, 2012

2 10:03 a.m.

3 --o0o--

4
5 CHAIRMAN UMBERG: All right. Why don't we
6 go ahead and call the California High-Speed Rail
7 Authority to order, and, Madame Secretary, if you could
8 call the roll.

9 MS. TOOF: Chairman Umberg.

10 CHAIRMAN UMBERG: Here.

11 MS. TOOF: Mr. Richards.

12 MR. RICHARDS: Here.

13 MS. TOOF: Ms. Schenk.

14 MS. SCHENK: Here.

15 MS. TOOF: Mr. Burns.

16 MR. BURNS: Here.

17 MS. TOOF: Mr. Rossi.

18 MR. ROSSI: Here.

19 MS. TOOF: Mr. Richard.

20 MR. RICHARD: Here.

21 MS. TOOF: Mr. Hartnett.

22 MR. HARTNETT: Here.

23 MS. TOOF: Thank you.

24 CHAIRMAN UMBERG: Thank you. We have a
25 quorum, and if I could ask Commissioner Rossi to lead us

1 in the Pledge of Allegiance.

2

3 (Pledge of Allegiance recited.)

4

5 CHAIRMAN UMBERG: Thank you. And the first
6 order of business is the election this morning. So let
7 me just make a few comments before the election and
8 thank a few folks.

9 First, let me just mention how hard staff has
10 worked under the leadership of Mr. Van Ark to really
11 bring the project to where it is today. It's really
12 been amazing in the course of the last twelve months,
13 how much progress there's been. And Mr. Van Ark has
14 been at the helm and responsible for the progress that
15 we've made. He's garnered \$3.5 billion in federal
16 funding over the last twelve months, so you should have
17 negotiated the commission, Mr. Van Ark -- \$3.5 billion
18 in federal funding. We have designated the initial
19 construction segment. We're well on our way to
20 beginning construction in the initial construction
21 segment, put together a new draft business plan, which
22 will be finalized here in the next few weeks. He has
23 expanded the staff at the authority, which is still not
24 quite adequate, but it is at least three times larger
25 than it was when Mr. Van Ark arrived on scene, and

1 that's critical. It's absolutely critical in a project
2 of this magnitude to make sure that we have employees
3 who are providing oversight and transparency to the
4 project. And he has removed all opposition and all
5 criticism of the project. There are some folks that are
6 shaking their heads, "no." Okay. That's on your list
7 of things to do here, but I want to thank you and also
8 the person who keeps the trains running on time, and
9 that's Lisa Toof, who literally keeps the trains running
10 on time.

11 So having said that, I'm going to open the floor
12 for nominations, and let me begin by nominating Mr. Dan
13 Richard.

14 In my view, Dan is the right guy at the right
15 time at this critical moment with respect to California
16 High-Speed Rail Authority and our project and building
17 our system out. His experience both in the private
18 sector and at PG&E and the public sector as being a
19 member of the BART Board for twelve years and being a
20 high-level official in the first Brown Administration
21 and having the confidence in the communities in which he
22 serves, northern California and now throughout the
23 state, and certainly, the energy and enthusiasm that he
24 posses.

25 So I think he's the perfect guy. He has hit the

1 ground running in just the several months he's been on
2 the authority board, and done a great job in both
3 communicating and also as well as harnessing our various
4 partners and making sure that we're starting to -- we're
5 all moving in the same direction.

6 So having said that, let me nominate Mr. Richard.

7 Is there a second?

8 MS. SCHENK: There is a second. And when
9 appropriate --

10 CHAIRMAN UMBERG: Let me -- are there any
11 other nominations? Everybody is looking away. Okay.

12 MS. SCHENK: I enthusiastically second, and
13 also would like to say a few words, if I may, if you
14 deem it appropriate at this time.

15 Well, some of us were involved at this -- with
16 this when it was just a concept, a vision, a dream, but
17 there are a lot of dreams out there, and it really takes
18 a leader and a lot of hard work to transform what is a
19 vision into reality. And we say it's both inspiration
20 and perspiration. And it has been a lot of
21 perspiration.

22 Over the years, we have been fortunate to have
23 leadership at the various junctures and starting with
24 the then senator Quentin Kopp, who authored the bill to
25 create this authority and our past Chairman, Ron Deardon

1 Quentin, and Kirk Pringle, of course, and Tom Umberg,
2 whose service has been truly inspirational. Not only
3 service to our country, to each of us, with his military
4 service, but his commitment to this, this project. And
5 for those of you who were here during those months when
6 Tom was in Afghanistan and still, still attended
7 meetings via teleconference, that is commitment and
8 dedication.

9 At the staff level, many more shed in his team
10 and now Roelof and his team working with our Chairman,
11 with Tom. And as Tom said, they're the right people for
12 the right moment.

13 And so now, again, we are fortunate to have
14 someone willing to step up and take on what is supposed
15 to be a very part-time, maybe once or twice a month job,
16 but it is really a full-time job. And we're quite
17 fortunate that Dan Richards, who I've known for many,
18 many, many years, is willing to take this on. I've seen
19 him in any action over these past weeks and months, and
20 I take great comfort in knowing that he will take the
21 reigns of leadership, and I look forward to working with
22 him to make this vision a reality. Thank you.

23 CHAIRMAN UMBERG: Thank you. Thank you for
24 your kind comments.

25 All right. Seeing no other nominations, Madame

1 Secretary, if you'll call the roll.

2 MS. TOOF: Chairman Umberg.

3 CHAIRMAN UMBERG: Aye.

4 MS. TOOF: Mr. Richards.

5 MR. RICHARDS: Yes.

6 MS. TOOF: Ms. Schenk.

7 MS. SCHENK: Yes.

8 MS. TOOF: Mr. Burns.

9 MR. BURNS: Aye.

10 MS. TOOF: Mr. Rossi.

11 MR. ROSSI: Yes.

12 MS. TOOF: Mr. Richard.

13 MR. RICHARD: I'm not sure what I'm supposed
14 to do. I'll pass.

15 MS. TOOF: Mr. Hartnett.

16 MR. HARTNETT: Yes.

17 MS. TOOF: Thank you

18 MR. UMBERG: Well, thank you. So let me
19 pass three objects over to you. First, the gavel.
20 Secondly, as I came in, Mr. Rossi was admiring my
21 anti-ballistic sunglasses, and these may come in very
22 handy to you. So I'll bequeath these to you. If
23 there's -- all right. And then lastly, are the green
24 cards. So if it's appropriate, we'll switch places
25 here.

1 CHAIRMAN RICHARD: I didn't know if it was
2 too late to nominate Rossi.

3 Thank you, colleagues. I appreciate that vote,
4 and I appreciate your kind words. I'd like to just say
5 a few things. I won't promise it will be short, because
6 people do that, and then you know that's a bad sign, but
7 I'd just like to make a couple remarks, and then I will
8 promise that other remarks will be short.

9 I was asked the other day by a senior official of
10 the government whether we have a good board at the
11 High-Speed Rail Authority, and I said, "Yes, we have an
12 extraordinarily good board," and it's been my privilege
13 to get to know the members of this board, some of whom I
14 have known for a long time, but it is a very good board,
15 and I'd just like to take a moment and talk about that.

16 I cannot improve on Ms. Schenk's eloquence with
17 respect to Tom Umberg. He led this organization through
18 one of its most turbulent times, as it really did move
19 from a concept to a business plan that could move us
20 forward. He did that, notwithstanding the fact that he
21 is an active partner in one of our nations most
22 prestigious law firms and has a very active litigation
23 practice, and yet because his whole life has been about
24 public service, not only to our country as a member of
25 the uniform services but also serving in the state

1 assembly and now on this board. He's had a lifetime of
2 public service. And we have been graced by his
3 presence, and the best thing I can say is that while Tom
4 is handing over the gavel, he remains and will remain an
5 active and extraordinarily important part of this board.
6 So I also want to thank you for your services.

7 Our senior most serving member, Lynn Schenk,
8 who is vice-chair, mentioned that some people had been
9 there at the beginning. Well, the fact of the matter is
10 hardly anyone was there at the beginning. At the
11 beginning, there was only an idea. For those who
12 listened closely to the Governor's State of the State
13 message last week, he mentioned high-speed rail is not a
14 new idea, but, in fact, during his first term, he signed
15 a bill that had initiated the studies of a California
16 high-speed rail system. Well, that was the brainchild
17 of the then Secretary of Business Transportation and
18 Housing. And with all due respect, I was not a senior
19 official in the first Brown Administration. I was a
20 kid, but one of the people that I looked up to who
21 wasn't very much older than I but was a senior official,
22 was the Secretary of Business Transportation and
23 Housing, Lynn Schenk, who literally gave birth to this
24 idea that Californians should be connected with a
25 high-speed monitored, electrified train system.

1 Later, as a member of the Congress, she authored
2 an essential bill to establish national high-speed rail
3 corridors, and we've just been fortunate that a person
4 of that vision has done more than simply say, "Well,
5 this is a great idea," and tossed it out there but has
6 really tried to see it through for many, many, many
7 years. And, Lynn, we're going to get to the point where
8 you actually get on one of those trains in California.

9 MS. SCHENK: Thank you. Hopefully, without
10 a walker.

11 CHAIRMAN RICHARD: We also have members on
12 our board, Bob Balgenorth and Russ Burns, who represent
13 working men and women in California. But in addition to
14 that, because of those positions, they are very familiar
15 with what it takes to build things in this state and how
16 we have to work with contractors to make sure that these
17 projects are done right that they come in on time and of
18 the quality that the people expect. So we're fortunate
19 to have that kind of expertise on this board.

20 In addition, as we look at the communities that
21 we're affecting in the valley or on the San Francisco
22 peninsula, we've been also fortunate that the board has
23 consisted of people like Tom Richards and Jim Hartnett,
24 who not only serve the entire state by trying to help
25 build this system but spend many, many, many hours in

1 their communities listening, understanding, and helping
2 us understand the issues on the ground there.

3 And finally, I want to mention my friend, Michael
4 Rossi, who has become a new but old and dear friend,
5 and he'll know what that means. Some of us did
6 volunteer for this. Mr. Rossi, in fact, was drafted.
7 He had the misfortune of walking down the hallway in the
8 Governor's office just after another very capable member
9 of this board, who had been appointed by Governor
10 Schwarzenegger, had stepped down and who had a business
11 background. And as I'm told, the Governor looked up and
12 said, "Hey, there's Rossi. We can put him on the
13 High-Speed Rail Authority. He's got a business
14 background," and that's how Michael became to be a
15 member of this board. But like the true marine that he
16 is, he dug in and has worked very, very hard, and he has
17 been my right hand on this. We've worked together.
18 We've become friends and it's just -- it's an honor to
19 serve with him.

20 I note that there's been some press commentary
21 that -- that although, as this was pointed out now, this
22 is a part-time board that I've been asked to spend much
23 more than that, virally full-time on this. But I don't
24 want there to be any mistake, there's no member of this
25 board for whom this is a part-time assignment.

1 Everybody embraces this body and soul, and people spend
2 many, many, many hours taking time out of their active
3 businesses, their law practices, and the other things
4 that they have to do far in excess of what any part-time
5 board would do.

6 So as Chairman, I may be spending virtually all
7 my hours and minutes on this, but I can assure you that
8 every other person up here has been deeply devoted to
9 this project and spends the time it takes.

10 As was pointed out by Tom Umberg, we're blessed
11 at the authority to have a small, over-worked, highly
12 dedicated staff, and I've never seen as many people work
13 so hard on something trying to get it done in the face
14 of enormous challenges. The leader of that staff is our
15 CEO, Mr. Van Ark, and the biggest question that I get
16 all the time is, "How will you replace someone of his
17 international renown and experience in high-speed rail
18 systems," and the answer is, that's going to be
19 exceedingly challenging.

20 I've learned a tremendous amount from Roelof.
21 I'm hoping that during the hours and minutes that we
22 have left that I can cram as much information and
23 knowledge into my head that he's willing to offer. And
24 we owe him a debt of gratitude for exactly what
25 Mr. Umberg said, leading this board into a new era. And

1 so we really have a direction, a draft business plan,
2 and a concept of how, in fact, we actually can bring
3 these systems to connect Californians.

4 So with that, I just wanted to say that we
5 have -- we have a very good board. We have a very good
6 staff. We have excellent contractors working with us,
7 and our challenge now is to look at what it will take to
8 actually bring this system forward on the way that the
9 Governor and other leaders of our state have called for.

10 And the last thing I want to say is this, we are
11 going through and assessing the thousands upon thousands
12 of pages of comments that we have received since our
13 draft business plan was issued. We are looking at those
14 comments, those critiques, those suggestions,
15 criticisms. And despite where they come from or whether
16 they're positive or negative or calm or angry, all of
17 them are being considered and assessed.

18 And at this point, I think what I would say as I
19 step into this position is that to me, two things are
20 clear. The first thing that is clear is having listened
21 to all this and assessed it and reflected on it, the
22 fundamentals of high-speed rail in California are sound.
23 We know that the ridership will be there. We know that
24 the project can be constructed in phases as has been
25 laid out by Mr. Van Ark. We know that we have a good

1 handle now as we've moved through design on the capital
2 cost. And we know that the alternatives -- that no one
3 has made a case that the alternatives to high-speed rail
4 would be anything other than more costly, more
5 environmentally damaging, and in some cases, simply
6 impossible to do. So those things are clear. The
7 fundamentals of high-speed rail, the reasons why
8 California should embark on high-speed rail are sound.

9 Having said that, we also know that our business
10 plan probably can be improved in a number of ways, and
11 the professional men and women of the High-Speed Rail
12 Authority are looking at that very seriously, and as we
13 revise our plan, I think that people will see that we've
14 been responsive to public concerns.

15 So with that, I want to thank my colleagues very
16 much for this, and we'll move forward. Thank you.

17 Now, being totally prepared, I do not have an
18 agenda in front of me. Mr. Van Ark, could you help me
19 out with that.

20 We will start with public comment. And what
21 we've asked the staff to do is -- all of these -- if you
22 have not filled out a speaker request form, please see
23 Lisa Toof and do that. The speakers will be called in
24 the order in which these come in with the exception that
25 we afford our public officials the opportunity to speak

1 first, and I hope I have identified all of them.

2 And given that as is often the case, we have
3 quite a number of speakers, and in order to make sure
4 that everybody has an opportunity, Lisa, can we set the
5 clock for two minutes per speaker.

6 Our first speaker is somebody who has been an
7 incredible superstar, because he has never missed a
8 High-Speed Rail Authority meeting, and that is Henry
9 Perea from Fresno.

10 MR. PEREA: Thank you, Mr. Chairman, and
11 congratulations on your appointment.

12 CHAIRMAN RICHARD: Thank you.

13 MR. PEREA: We're very excited that this
14 board continues to move forward on bringing the dream of
15 high-speed rail to California but two things. One is
16 our heartfelt thanks from Fresno County and the
17 thousands of residents who are in strong support of
18 high-speed rail and, Mr. Van Ark, for the work that you
19 have done in this past year to bring us to the position
20 that we are in today so that this board could now move
21 forward this year. It wouldn't have happened without
22 you, and the people in Fresno Country recognize that.
23 We thank you for it, and we'll never forget you. So
24 thank you, and we wish you and your wife and your family
25 the best of life. And Mr. Umberg, as you already said,

1 without your leadership this past year, you're getting
2 us up to where we are. We wouldn't be able to make a
3 decision. Thank you, and thank you for your service.
4 It was really amazing having you phone in from
5 Afghanistan. We all were very anxious to see what you
6 looked like.

7 MR. UMBERG: I was actually just in Orange
8 County.

9 MR. PEREA: I understand. Someone made the
10 comparison but no, thank you. And, you know,
11 underscoring walking in and the press conference that
12 was outside, the working men and women of this state who
13 understand that the primary purpose of high-speed rail
14 is to be able to move Californians up and down the state
15 in a whole new way. But behind it, of course, is jobs
16 that we so sorely need in this state and the valley.
17 And then the message from those folks as well as the
18 veterans that were in the group with them is just like
19 after World War II, you know, the folks in this country
20 had the vision to build the infrastructure needed to
21 make our country even greater than it already was, and
22 they made the tough decisions just as you are making the
23 tough decision to build the infrastructure for the men
24 coming home from war to make sure that they not only
25 have the infrastructure for their families but also

1 jobs. And that's what this is about too.

2 So thank you, again, for your leadership. A lot
3 of tough decisions to make in the next few months, but I
4 really think they're easy decisions to make when you're
5 talking about the future of California and the future of
6 the country and the future of our jobs for men and
7 women.

8 So thank you very much, and have a good meeting.
9 We will miss next month's meeting for the first time.
10 We're going to be in Washington, D.C. sending a team to
11 advocate with our legislators and other folks to
12 advocate for high-speed rail.

13 MS. SCHENK: I think we should cancel the
14 meeting.

15 CHAIRMAN RICHARD: Either that or we'll find
16 a way, either with a cardboard cutout or some resolution
17 for the virtual Henry Perea but we know you'll be here
18 in spirit as you have been every time.

19 MR. PEREA: Thank you.

20 CHAIRMAN RICHARD: You are much appreciated.
21 Thank you.

22 LeeAnn Eager it appears followed by Jim Bigelow.
23 Good morning.

24 MS. EAGER: Good morning. As with
25 Mr. Perea, I have not missed a meeting. Even though

1 last time, I didn't get to speak. I was there. I
2 promise I was there. I will be in Washington, D.C. with
3 Supervisor Perea next month. So I'm sorry I'm going to
4 miss that meeting.

5 As Ms. Schenk talked about, I was here when we
6 had Mr. Deardon and Mr. Pringle, Mr. Kopp. And I have
7 to say, I was a little bit worried when Mr. Pringle
8 stepped down and Mr. Umberg stepped in only because
9 Mr. Pringle had such a wonderful, sharp sense of humor.
10 But I have to say, I was very surprised at -- at your
11 sense of humor and thank you so much for your service.

12 And I have to say, I didn't know a lot about you
13 until I went to the meeting with the South Koreans, and
14 they gave your bio and you spoke so eloquently. So I do
15 want to thank you for your service here on this board
16 and also for your service to the country. Thank you for
17 everything, but I really want to talk about Mr. Van Ark.

18 At the last meeting, when it was announced that
19 he was retiring, it was almost a sock to my stomach. I
20 have to say, it felt like we were getting a divorce. We
21 have been working on this, fighting the good fight for
22 so long, and what you have done this past year has been
23 nothing short of miraculous. All of the issues that
24 have come up, you have stood strong and fought the good
25 fight. I thought we were going to fight this good fight

1 together for the rest of this time period, and hopefully
2 we still will. But thank you so much for all that you
3 have done for this project, and I'll still be here
4 fighting that good fight with you in mind. Thank you.

5 CHAIRMAN RICHARD: And out of respect for
6 Mrs. Van Ark, we'll ask the record to strike the divorce
7 comment.

8 MR. Bigelow: Jim Bigelow with the Redwood
9 City San Mateo County Chamber. Congratulations to our
10 new chair and our outgoing chair. It's been a pleasure.

11 Roelof, I want to commend for his openness to
12 come down and meet with all kinds of groups and try and
13 get a consensus. It's been very, very helpful. Dan
14 Levitt, who is not here, we worked with for years and
15 years and who has been very helpful over a long period
16 of time. So I think we're in a new era of moving ahead,
17 and certainly the newspaper articles that are around
18 would want to excite you to keep moving in a positive
19 direction.

20 On the peninsula, the blended system, Some of our
21 cities who have been both plaintiffs and not so
22 supportive are now seeming to warm up more to the
23 blended system. And they have commented on getting rid
24 of the four-track system from San Francisco to San Jose
25 and the Altamont build out in the EIR. I think that

1 would go a long way toward getting things moving along
2 better on the San Francisco peninsula, and it would
3 probably be good down in southern California, where the
4 blended system is also being considered.

5 And we're also encouraging at some point, I know
6 there's conversations going around about the 950 million
7 relative to the Reno commuter feeder systems. Our
8 Caltrain has about 350 million, to go to electrification
9 and so forth. And I think an early consideration as
10 things move along to release some of those funds both in
11 southern California and northern California to start
12 getting ready for high-speed rail and other segments
13 might be helpful, and we encourage that.

14 So again, thank you, Roelof. You've been very
15 good, and you have really extended yourself. And Chair
16 Richard, I know you've done a lot of traveling and will
17 represent us well.

18 CHAIRMAN RICHARD: Thank you.

19 Ralph Ochoa followed by Diana LaCome.

20 MR. OCHOA: Good morning, Mr. Chairman,
21 members of the committee. My name is Ralph Ochoa. I'm
22 a senior partner in the law firm of Ochoa and More, and
23 Ochoa and More has been retained by the City of Palo
24 Alto to represent its interests relative to the
25 potentially negative impacts that the current revised

1 high-speed rail project might impose on the City of Palo
2 Alto.

3 The City of Palo Alto opposes the current revised
4 high-speed rail project plan. More to the point, the
5 City of Palo Alto's position is that the high-speed rail
6 project should be terminated because one, the current
7 project fundamentally contradicts the measure presented
8 to the voters under Prop 1-A in 2008. And number two,
9 the plan has been reviewed by multiple expert panels as
10 fatally flawed and simply not credible. Specifically on
11 this point, the City of Palo Alto supports the findings
12 of the Legislative Analyst Office of the State Auditor
13 and the High-Speed Rail Peer Review Committee, which all
14 question the viability and the accuracy of the
15 authority's plan on such matters as the ridership
16 projections, identification of sufficient and
17 reliability funding sources, and the project management
18 and operations of the high-speed rail.

19 On behalf of the City of Palo Alto, I thank you
20 for the time.

21 CHAIRMAN RICHARDS: Thank you, sir.

22 MS. LACOME: Good morning, members of the
23 board. Congratulations, Mr. Richard, on your new
24 appointment, and Mr. Van Ark, we wish you all the best
25 in your future endeavors.

1 My name is Diana LaCome, and I'm the president of
2 the Associated Professionals and Contractors, or APAC
3 for short.

4 First of all, I'd like to thank the board for the
5 invitation to participate on the business advisory
6 council and we look forward to -- we hope that we're one
7 of the organizations selected, and we'll definitely
8 participate in that. We are also very happy to see that
9 the rail is moving forward on some of the
10 recommendations that FRA outlined, which is one of the
11 business councils.

12 Now, we know that there is strong opposition to
13 this project from the peer review to special interest
14 groups and so on and so on. We have never really taken
15 a position one way or another. Our position has always
16 been and will continue to be to support jobs, contracts
17 for small businesses and just the economic revving of
18 the engine throughout California. That is our primary
19 concern.

20 We would like to recommend that you take a look
21 at the California taxpayer dollars staying in
22 California. We need it here in California. We need to
23 make sure that the DBE and SBEs are able to compete and
24 to receive contracts. We need to get the people to work
25 as soon as possible.

1 Central California -- it's so sad, because
2 central California is considered the new Appalachia.
3 You know, with up to 70 percent of minorities in some of
4 these counties, it's really a sad situation. So I think
5 this position and for this reason, we are finally taking
6 a position, a stand on this, that we do support the
7 high-speed rail as long as you can bring in all these
8 groups and get the project off the ground.

9 And we are here to let you know that we will be
10 supportive in every way possible to assist this project
11 and make presentations throughout the state and meet
12 with the elected officials and so on, because we feel
13 that this is really what is necessary throughout
14 California. But at the same time, we --

15 CHAIRMAN RICHARD: Excuse me.

16 MS. LACOME: -- really want the DBE program
17 to be implemented. So thank you.

18 CHAIRMAN RICHARD: Thank you. My timer went
19 to zero. I just wanted to make sure everybody has equal
20 time. Thank you very much.

21 Dan Dolan followed by Michael Behen.

22 MR. DOLAN: Thank you for your time.
23 Congratulations newly elected chair, Dan Richard, and
24 congratulations to Lynn Schenk, vice-chair, and I want
25 to particularly thank Mr. Roelof Van Ark for all his

1 hard work, and I wanted to acknowledge Rachel Wall for
2 her work and dedication and also outgoing vice-chair,
3 Tom Richards.

4 I'm here to talk to you, to impress upon you that
5 the board, and for the sake of Governor Brown and the
6 authority, that we need to have an awareness of three
7 important decisions that we will be making in the next
8 several weeks. I'm part of a team that's going to be
9 one of the qualified small business, minority owned
10 business teams that will be bidding on the \$40 million
11 right-of-way appraisal authority -- or RFP. And one
12 item that seems to be missing from the July 2011 scope
13 of work is the notion that your hundred and thirty mile
14 initial construction section should have probably a
15 million-dollar-per-mile title insurance to protect your
16 federal dollars and state dollars that are going to be
17 spent on the hundred and thirty miles and particularly
18 the first eleven miles for the package number one. And
19 that is not being addressed, and it's not included
20 within the \$40 million RFP.

21 Similarly, item two, full and total cost of
22 right-of-way acquisitions, in my opinion, have not been
23 fully addressed in the scope of work contemplated in
24 July particularly the cost of these eleven hundred title
25 reports and who pays for them.

1 And then the state auditor's January 5th, 2012
2 report, I've read the recommendations, and those need to
3 be followed.

4 And lastly, I appeal to you that there be
5 fairness and competitive bidding on this \$40 million
6 contract. And that merely because one woman-owned
7 regional consultant in Sacramento has been involved with
8 all of the hundred and thirty mile primary contractors
9 over the past several years.

10 CHAIRMAN RICHARD: Could I ask you to finish
11 your sentence, sir.

12 MR. DOLAN: Yes. Okay. And talks to you
13 daily that they may be shortlisted, but there should be
14 one or more teams that are allowed on that contract for
15 oversight.

16 CHAIRMAN RICHARD: Thank you, sir.

17 MR. BEHEN: Good morning. Michael Behen,
18 City of Palmdale, Public Works Department.
19 Congratulations to both of you on your endeavors.

20 The City of Palmdale believes in the high-speed
21 rail's blended system approach. In particular, we would
22 like to thank the board for their decision at the last
23 meeting to reject the Grapevine Alignment so that we can
24 work together to fine-tune an alignment for the Antelope
25 Valley and also a station in Palmdale. We believe that

1 it sends a positive message that others should listen to
2 that the board reevaluated the information that was
3 provided. They listened to testimony, and then they
4 made a great decision to stick with the Antelope Valley
5 Alignment.

6 We appreciate that, and there's a couple things
7 to point out what that decision will do. It will help
8 us meet our regional air quality and transportation
9 constraints. There's some serious issues there. It
10 will also promote economic development and job growth.

11 We look forward to a continued partnership and
12 are eager to see this project move forward full steam
13 ahead. Thank you for your time.

14 CHAIRMAN RICHARD: Thank you very much.

15 MR. BEHEN: Thank you very much.

16 David Schwegel -- I hope I pronounced that
17 right -- followed by Ryan Soria.

18 MR. SCHWEGEL: Good morning. Thank you all
19 for your valuable service. PR, communications, and
20 outreach, a herculean effort fit for an army. Three
21 points that we need to drive home as we force through
22 the storm clouds ahead. First, economics, USHSR say
23 that this is our largest, most advanced project in the
24 nation and the top five in the world. The busiest, most
25 profitable line in America, and I should mention that

1 Governor Brown's assertion that the 98.5 billion were
2 far too high, that enhances the credibility of the
3 comments in the business plan that it is, in fact,
4 conservative, and we need to, of course, keep in mind
5 the cost of collision and congestion, huge for society.

6 Also, on the debate of west, north versus south,
7 which comes first. Go north. Launch new high-tech
8 industries in the Silicon Valley, connect the BART San
9 Jose extension, and who knows, our friends in Atherton
10 and Palo Alto might have a change of heart when they see
11 that it's much faster to come in via the peninsula on
12 high-speed rail to San Jose than it is to take BART
13 clear up through the city and around the bay.

14 And also Hill and Nolton, third point, reminds us
15 of selling the concept of one hundred percent quality
16 productive time while on board. When I came in from
17 Granite Bay, I thought long and hard about driving in,
18 but reading Derailed while driving derails many. Sell
19 the concept of one hundred percent quality, productive
20 time. Umpqua Bank CEO, Ray Davis, says, "The world
21 watches the US. The US watches California." Build it.
22 Thank you.

23 CHAIRMAN RICHARD: Thank you, sir.

24 Ryan Soria, Operating Engineers Local 3. It
25 looks like we have a bunch of folks in Local 3 today.

1 Okay. Bud McKinney followed by Thomas Brandon it
2 appears.

3 MR. MCKINNEY: Good morning. Thank you,
4 Chairman. Thank you, members of the board. My name
5 is Bud McKinney, and I'm a proud sheet metal worker, and
6 I've lived in California all my life, and I've seen
7 controversies like this come up before.

8 We had a controversy when we built Highway 99 and
9 the destruction it was going to do to the community.
10 It's literally a lifeline to Sacramento now. I-5 was
11 the same thing, California aqueduct -- We've had these
12 controversies before, and where would we be if we hadn't
13 built these things?

14 High-Speed rail is the future in California, and
15 we need it, and I'm urging you to build it.

16 CHAIRMAN RICHARD: Thank you.

17 Mr. Brandon followed by Terrence Long.

18 MR. BRANDON: Good morning. Congratulations
19 and thank you for letting me speak today.

20 My name is Thomas Brandon. I'm the
21 secretary/treasurer of the California Consulate of
22 Machinists, and on behalf of the 30,000 machinists in
23 the state of California, we support this train, and we
24 hope that it gets moving. Thank you.

25 CHAIRMAN RICHARD: Thank you.

1 Terrence Long followed by Hector Estrada.

2 Ryan Camp. Steve Laird. Oh, okay.

3 Are you Mr. Camp?

4 MR. CAMP: Yes. Ryan Camp. Thank you,
5 guys. I spoke in Merced, and I'll just reiterate
6 myself. I am representing the Merced, Mariposa Central
7 Labor Council, but today, I'd like to tell you a little
8 bit more about 2003.

9 Late 2003, I got out of the military service,
10 aftershock and all, and the economy was still good. I
11 was able to get a job with a good Teamster contract, but
12 now I don't see those jobs for the thousands more of our
13 veterans coming home since the last time I talked in
14 Merced.

15 So if you talked to the VA and you see the
16 statistics of our soldiers taking their lives, 18 a day,
17 you talk to the VA, it's because they don't have
18 anything in their hands. They don't have tools. They
19 don't have the tools of the trade, and that's what they
20 want to do. They want to work. They want jobs. I
21 mean, the best therapy in America is a good job. I
22 mean, these guys need good jobs.

23 So I'm here to advocate not for union jobs but
24 just for good jobs to get our veterans working again.
25 That's what we need right now. They're able and

1 willing, and we have them now. So let's please -- let's
2 use them. Thank you guys for your time and what you're
3 doing.

4 CHAIRMAN RICHARD: Thank you.

5 Steve Laird.

6 MR. ESTRADA: My name is Hector Estrada.
7 I'm a member of the Operating Engineers Local 3, and
8 I've been one of the few fortunate persons as a surveyor
9 working on the project, and I want the project to
10 continue, so I can continue to work on this project. We
11 have a lot of highly skilled laborers, members that
12 would continue to work on this project. Please
13 continue. Thank you.

14 CHAIRMAN RICHARD: Thank you. I just want
15 to take a moment. I had said we'd take the speakers in
16 order unless we have public officials, and we afford
17 them an early opportunity. I know we have a member of
18 the Kings County supervisors here.

19 Supervisor, had you intended to speak?

20 MR. VALLE: Yes, Mr. Chair.

21 CHAIRMAN RICHARD: If you'd like to go now,
22 we'd be happy to do that. If you'd like to wait,
23 because there's other members of your community here,
24 but we're happy to welcome you now, sir.

25 MR. VALLE: Thank you, Mr. Chair.

1 Congratulations, Mr. Chair and fellow board members for
2 your service as well.

3 Mr. Chair, as you know, Kings County has been to
4 the podium many times and reaching out to your board
5 asking for a commitment to sit down and talk to
6 coordinate to allow Kings County to speak about the
7 impacts that we would have if the project, in fact, came
8 through Kings County. And that being said, I want to
9 tell you, I feel very encouraged, and I want to thank
10 you for the short discussion we had prior to the meeting
11 and hearing from you personally about your commitment to
12 come to Kings County, and I will relay that, that
13 commitment back home and look forward to having you
14 there and more importantly, having our constituents have
15 the ability to sit down and relay their concerns.

16 Speaking of back home, I wanted to show this
17 photo here. This is the "Corcoran, Save our Home"
18 photo. These are community members from Corcoran who
19 would be impacted by the project coming through the City
20 of Corcoran. These are folks who would love to be here
21 today to have made the trip to Sacramento, but like many
22 of us, they have commitments, children back home. But I
23 made a commitment to them that as long as I'm in the
24 room, they would be in the room.

25 So the Save Our Homes campaign is just to

1 continue to do outreach to you and your board members.
2 The City of Hanford took their photo earlier this week,
3 and we look forward to you seeing that in Kings County.
4 Thank you for your time, sir.

5 CHAIRMAN RICHARD: Thank you, supervisor,
6 and if you would please convey to your board chair,
7 Supervisor Fagundes and your colleagues, Supervisors
8 Neves, Verboon, and Barba, that you will be receiving a
9 letter from me. We'll be looking forward to coming to
10 Kings County meeting with you and your colleagues.

11 MR. VALLE: Thank you, sir, that means a
12 lot.

13 CHAIRMAN RICHARD: Thank you.

14 Tim Smith followed by Jonathan Mariscal.

15 MR. SMITH: Good morning, Mr. Chairman,
16 members of the authority. I just come before you today
17 to reiterate some things that I'm sure you've all heard
18 many times before.

19 I'm the State Chairman of the Teamsters Rail
20 Conference here in California. I represent thousands of
21 workers, locomotive engineers, conductors, and
22 maintenance of way workers. We are 70,000 strong
23 throughout the United States. And obviously, everybody
24 is concerned about high-speed rail not only in this
25 corridor but in the other corridors throughout the

1 United States. So we all have a vested interest in it.

2 I speak before you to address these issues simply
3 because we have a problem with our economy. The economy
4 needs to be addressed especially in the State of
5 California, because it seems like it sets the trend,
6 sets the example for the rest of the nation to follow.

7 There's one percent of our populace in the United
8 States today that are sitting on \$2 trillion worth of
9 funds, and they're not doing anything with it. In the
10 past, in order to get our economy around large
11 infrastructure projects, were created. It worked for
12 FDR. It worked for Eisenhower and others, and it will
13 work here again now.

14 Investing in our infrastructure by creating the
15 nation's first high-speed rail system is definitely the
16 answer. We have no choice but to begin this project
17 using the state's government Prop 1-A bond funds that
18 were allocated in 2008. A lot of funds were awarded by
19 the federal government since then. Once California
20 commits to proceed with the high-speed rail project, the
21 private sector will see potential money to be made and
22 will let loose of some of the aforementioned \$2 trillion
23 nest egg and invest in high-speed rail. They won't do
24 it, though, unless the state government can commit
25 first.

1 Many people within the state will gain employment
2 because of it, and when they earn, they spend and they
3 pay taxes. The businesses and stores they spend their
4 money in will prosper, and in essence, pay it forward.
5 The state income taxes will rise, the sales taxes will
6 rise, and the standard of living for the bulk of
7 Californians will be enhanced. California's revenue
8 will be greatly increased and our debt issues will be
9 resolved. This is a win/win scenario, so we have to
10 commit to it and cease looking for excuses to say, "no."

11 So long story short, we've got 38 million people
12 in this state. We have a definite transportation
13 problems. 9/11 is a primary example of that. I think
14 we need high-speed rail more than we know. So as far as
15 labor is concerned --

16 CHAIRMAN RICHARD: Thank you, sir.

17 MR. SMITH: -- we stand behind this project.

18 CHAIRMAN RICHARD: Thank you, sir.

19 Mr. Mariscal if you could hold on for a minute.

20 Did I miss Mr. Laird? Mr. Laird, I'm sorry, sir.
21 I was moving too fast. Then Jonathan Mariscal followed
22 by Ed Ritchie.

23 MR. LAIRD: I'll be short and sweet. I just
24 wanted to say that I'm a California resident. I
25 represent the Operating Engineers brothers and sisters

1 who are well trained and want to go back to work, and
2 with this being passed, a lot of our brothers and
3 sisters will be able to go back to work. Thank you.

4 CHAIRMAN RICHARD: Thank you.

5 Mr. Mariscal. Thank you for your patience, sir.

6 MR. MARISCAL: Members of the board, thank
7 you for your time. My name is Jonathan Mariscal. I'm
8 an apprentice at Operating Engineers Local 3, and I just
9 want to say that, you know, I grew up in the Bay Area
10 with BART. It took me to and from my family for many
11 occasions and took me lots of places, and I'm sure
12 before BART was built, there was a lot of people who
13 were put to work because of it and made money and were
14 able to pay their bills and take care of their families.

15 In doing the high-speed rail project, I think
16 that it will create a lot of jobs for people and people
17 who want to go see their family if they have some
18 family. I have some family in southern California that
19 I'd like to go see -- to and from -- for family
20 occasions and for things like that but mostly for the
21 work.

22 I've been out of work for about a couple weeks
23 now, and I'd like to get back to work. And if there's
24 no work, there's no jobs. Then I can't pay my bills,
25 and I'm sure that many of my union members and the

1 labors around California would appreciate having this
2 project to work on to be able to support their families.
3 Thank you.

4 CHAIRMAN RICHARD: Thank you.

5 Mr. Ritchie followed by Matt Schrader or
6 Schroeder, I'm not sure.

7 MR. SCHROEDER: Hi. Good morning to the
8 board. I would just like to say a few words of
9 encouragement and thank both the boards, past and
10 present, for their vision here in California. And we
11 all know projects today are going a lot cheaper than
12 they have in the past. Most engineer estimates are
13 coming in -- or the bids are coming in under the
14 engineer estimates.

15 And that was about all I had. I wanted to say a
16 couple words of encouragement to you guys and keep up
17 the hard work, and thank you for what you have done.

18 CHAIRMAN RICHARD: Thank you, sir.

19 Matt -- I'm sorry. I hope I didn't mispronounce your
20 name.

21 MR. SCHROEDER: You did just fine.

22 Mr. Chair, committee members, I want to start off
23 by saying thank you very much for carrying your vision
24 and the efforts that you put into this to make sure we
25 move forward in the future in the State of California.

1 I'm a fourth generation Californian. I've been
2 in the construction industry for 25 years. One of the
3 things that comes to my mind is the regulations in the
4 future, the state and feds, will continue to control the
5 direction of transportation. If we don't start working
6 on our future now, it's going be more costly. It's
7 going to cost the state and the people more -- taxpayers
8 more money to be able to implement the regulations for
9 transportation. It's going to bind us up.

10 One thing is, my son's a fifth generation
11 Californian going to UC Davis. He's a mechanical
12 engineer. He comes home occasionally, and he says,
13 "You know, Dad, where are the people in California with
14 commonsense?" He goes, "Can't they see that this is the
15 future of transportation?"

16 And one thing in closing is that the cities that
17 oppose the high-speed rail, they really need to step up
18 to the plate, help be the solution, work to solve the
19 issues at hand, and get this project moving. Thank you
20 very much.

21 CHAIRMAN RICHARD: Thank you. Jason -- is
22 it Rofler? Followed by Marcie Bayne.

23 MR. RAFTER: Good morning. Jason Rafter.

24 CHAIRMAN RICHARD: I'm sorry, sir.

25 MR. RAFTER: Not a problem.

1 I'm a apprenticeship coordinator for the
2 Ironworkers, and I just want to say on behalf of all the
3 ironworkers across this great state of California, we
4 are in support of the high-speed rail. We are
5 diligently training all of our apprentices daily
6 throughout, you know, the last couple years through this
7 downturn in the economy.

8 Our guys are ready to build all that beautiful
9 skyline that you see behind you. All we need you guys
10 to do is to approve it and get that thing going and get
11 our guys back to work. Thank you.

12 CHAIRMAN RICHARD: Thank you.

13 Ms. Bayne followed by Angelo Cellini.

14 MS. BAYNE: Good morning and thank you for
15 your service. My name is Marcie Bayne, and I'm the
16 Executive Director of the North Valley Labor Federation,
17 and we represent the workers from Lodi to Merced,
18 approximately a hundred thousand union workers in the
19 valley, and these guys, as you can hear one by one, need
20 the jobs.

21 We don't represent just building trades but
22 service unions as well, and so as the train gets built,
23 they will provide the service. And when our workers
24 work, we turn the economy over seven times. They go to
25 lunch. They buy tools. They buy trucks. They do

1 things they can't do when they're unemployed, and so the
2 jobs are so important to revitalizing both the Central
3 Valley economy and the State of California's economy so
4 then we can improve our schools as well. They want to
5 work, and this high-speed rail will provide thousands of
6 good paying union construction jobs starting this year
7 and ongoing for many, many years.

8 I have believed in high-speed rail since the very
9 first time I rode the monorail in Disneyland as a very
10 young girl. It needs to get started. It needs to get
11 started now. I want to ride it, and hopefully, I can
12 ride one of the first ones. The idea of going from
13 Sacramento or Stockton or Modesto or Merced to San Diego
14 in an hour and a half is a delight for me, because now
15 it takes eight or nine or ten hours to make that drive,
16 because the flights are impossible. Thank you very
17 much.

18 CHAIRMAN RICHARD: Thank you.

19 Sir, is it Cellini or Cellini? Okay. Got it
20 right the first time.

21 MR. CELLINI: Good morning, Chair,
22 committee. I appreciate you letting me speak today.

23 I've been an operating engineer for 32 years and
24 work has been fairly well, but this last downturn has
25 really put a damper on things. And I'm here -- I need

1 to get our guys back to work. A number of us are here
2 to -- we want to get that to happen. So if you could,
3 let's keep this thing on track and get our jobs going
4 now. Thank you very much.

5 CHAIRMAN RICHARD: Thank you, sir.

6 I'm having a little trouble reading this next one.
7 It looks like Michael Strong perhaps, and I apologize if
8 I got that wrong. Followed by Rod Westberg.

9 How did I do with your name, sir?

10 MR. STRONG: Michael Strong, and I am an
11 operating engineer and I ask you that -- I thank you for
12 your thoughtful service but I would ask that
13 consideration be given that, you know, this isn't just
14 about jobs -- and it is, and it is about job -- but it's
15 the right thing to do. And one of the things we have
16 done, one of the things that I strive to do every day,
17 is to just do the right thing, and I would ask the
18 High-Speed Rail Authority just to simply not derail
19 California. Thank you.

20 CHAIRMAN RICHARD: Thank you, sir.

21 MR. WESTBERG: Good morning, gentleman,
22 lady. This is the first time I've ever done this. I'm
23 an operating engineer. My name is Rod Westberg. I've
24 been in the industry 35 years. I've seen the way the
25 transportation system has been plugging up, and all we

1 have been doing is playing catch up. So high-speed rail
2 is the only thing that makes nothing but sense. So my
3 question is why didn't we include Portland, Oregon;
4 Seattle, Washington; and Sacramento, California?

5 CHAIRMAN RICHARD: Thank you.

6 I apologize. I'm really having a hard time
7 deciphering this last one, but it's a person also from
8 Local 3 from Yuba City. It looks like Sycamore Street.
9 "Lamont" maybe.

10 Can somebody read this. Let me put it this way,
11 I have a growing appreciation for Mr. Umberg's services
12 as Chair.

13 Okay. Yes, it looks like a "Lamont."

14 MAN IN AUDIENCE: He went out to feed the
15 parking meter. I don't think he'll be back.

16 CHAIRMAN RICHARD: Okay. If that person
17 does comes back, would you let him know to maybe see Ms.
18 Toof, and we'll go from there.

19 Okay. Billy Powell followed by Kyle Holloway.

20 MR. POWELL: Good morning, Mr. Chairman,
21 members of the board. Billy Powell, secretary/treasurer
22 for the Building Trades for Stanislaus and Merced
23 Counties. I just want to express our continued support
24 of this project and want to thank you for your service.
25 Thank you.

1 CHAIRMAN RICHARD: Thank you.

2 Kyle Holloway. Kyle Holloway followed by Charles
3 Bynum. Charles Bynum.

4 Mr. Bynum, Good morning.

5 MR. BYNUM: Thank you, Mr. Chair. My name
6 is Charles Bynum, and I'm in support of the high-speed
7 rail. Not only does it create good jobs for everyone,
8 and the economy, it will keep it going and keep the air
9 cleaner and also keeps the roads from going to pot as
10 the way it is right now with many cars going down the
11 freeway. It will get the people there a lot faster to
12 L.A. than to get out of planes, get out of their cars.

13 There a lot of guys like myself who have either
14 almost lost their homes or have lost their homes due to
15 low jobs. I never experienced this before in my life
16 until 2008 hit. So it will mean a lot to me and a lot
17 to my construction companions and brothers and sisters
18 that we need to get this thing going to keep the economy
19 going, because we know that -- because construction is a
20 small part of the industry, but it's a part of the
21 engine that keeps everything else going. Because like
22 the person before me said, as long as we're making
23 money, we're going to the stores. We're going to buy
24 things. We're buying cars. We're buying homes. We buy
25 those things to keep, not to lose, and that's what's

1 going on right now if we don't get this thing going.

2 CHAIRMAN RICHARD: Thank you.

3 John Rector followed by Arthur Scott it looks
4 like.

5 MR. RECTOR: Good afternoon -- or good
6 morning and I thank the authority for all of your hard
7 work past, present, and in the future with this project.

8 The state workforce is struggling right now. I'm
9 a member of the operating engineers and proud to be one,
10 and we all know what happened since 2008 with
11 construction. With the work force down, those people
12 aren't spending money, and this project is going to put
13 people back to work, and they're going to reinvest in
14 their community, and they're going to begin to spend
15 money. They're going to help the state pull out of the
16 current economic situation they're in.

17 California has always been an innovator and a
18 leader when it comes to technology, and we shouldn't be
19 the last ones to adopt this. Europe has got it. Asia
20 has got it. Let's not derail California. Thank you.

21 CHAIRMAN RICHARD: Thank you.

22 It looks like a Mr. Scott from Hanford.

23 MR. SCOTT: Good morning. Congratulations,
24 and I think there is a new era coming, but, however,
25 there's some unfinished business on the table.

1 You speak of platitudes and so on, and I'm
2 reminded by the gentleman that spoke earlier from -- for
3 the City of Palo Alto group. The peer group, the
4 auditor, the treasurer, the Legislative Analyst Office,
5 local governments and I'm not going to list all of the
6 ones that are in opposition. There's also a number of
7 both parties, representatives both local -- both state
8 and US that are expressing concerns about the expense of
9 this project is proposing.

10 Clearly, the University of Berkley, Institute of
11 Transportation Studies, has some real serious issues
12 with this, too, and I'll interject right now, I'm not
13 against jobs. I'm not against anything that's going to
14 make things better. I'm against a system that has this
15 many people saying, "There's some issues with your
16 program, and they haven't been resolved."

17 So because of some stuff that happened on the way
18 up, I'm going to go to the end here and say these are
19 some of the things that we're really concerned about.

20 The state is broke. It's going further in debt
21 if you continue this project. The state will incur
22 serious debt services for decades, and that's not
23 addressed anywhere in any of the complaints.

24 The United States of America is almost 16
25 trillion in debt and going further in debt, which means

1 there is a lack of fund extreme that will be coming into
2 this, because the State of California has no money to
3 give to this project.

4 Saying it can be done for less, I'm not sure
5 that's a correct statement. The union members and all
6 the leadership wanting to get things done, now some of
7 theme are questioning the dollar value. Attempts to fix
8 this disaster with the legal and regulations, state and
9 federal, have not been mitigated by the letter of the
10 law.

11 And in closing, I think the biggest thing is and
12 the gentleman from -- that spoke for Palo Alto said,
13 it's not in accordance with Proposition 1-A. I'm
14 against it. It needs to be done right. That's all I'm
15 asking. Thank you.

16 CHAIRMAN RICHARD: Thank you, sir.

17 Jerry Seiff -- or Seiff followed by Russ
18 Browning -- or Ross Browning. Excuse me, Mr. Browning.

19 MR. SEIFF: Good morning. My name is Jerry
20 Seiff. I'm an operating engineer, a 22-year member.
21 The people you see come up here in the blue jeans and
22 boots, that's the face of who this will help.

23 Since 2008, you know, I've had to worry every
24 year, "Am I going to work this year? Am I going get
25 enough hours for insurance for my family? Am I going to

1 have enough -- something for my retirement?" I don't
2 want to be doing this all my life. I enjoy what I do,
3 but I do have plans later, and I know that this project
4 will help so many trades not just ours, but it will help
5 the ironworkers, pipe fitters, carpenters, and that's
6 who really spends the money. That's who really builds
7 California. That's really who makes the state run.
8 Without us, without our money coming in -- not to
9 mention the infrastructure just collapsing in on itself
10 and it will if things aren't done.

11 This project has a chance to be a shining star in
12 our state, and I love my state, but, you know, I'm tired
13 of worrying every year if I'm going to work this year,
14 get my thousand, or whatever it takes to get insurance.
15 And I know that you people on the board are working
16 diligently to move this project along, but we are truly
17 the face of the people who this will affect, and I need
18 your help. I want to work.

19 I don't want to work in another state, because,
20 you know, there's jobs out there. I don't want to go to
21 another state to work. It's bad enough I got to leave
22 my family every year and go down to the Bay Area and
23 work. But that's part of my business and my worries,
24 but I really don't want to work out of state or out of
25 the country. So I thank you for your time and good

1 luck.

2 CHAIRMAN RICHARD: Mr. Browning.

3 MR. BROWNING: Making these chairs harder to
4 get out of every year.

5 Good morning, sir, and again, congratulations on
6 your -- I hope it's congratulations -- on your new
7 position. Although, I'm not sure that you guys are
8 going to have much to do, because I heard Governor Brown
9 in his speech say he was going to redesign this project.
10 So you guys got it made.

11 I would like to talk to you about jobs. I hear
12 and have heard, many times coming before this board,
13 members of operating engineers and construction
14 engineers and this labor council and that labor council,
15 and they come up here, and they they're pleading. They
16 want jobs. And there were two members mentioned,
17 Mr. Burns back up north, who have a labor background,
18 and I'm surprised that those gentlemen didn't say
19 anything when they were here.

20 But the number of jobs, you've got to come clean.
21 You've got to tell the people how many jobs there will
22 be. We've seen numbers from one million down to 25,000.
23 Nobody can plan or nobody can do anything with a range
24 of data like that. I think you have to come clean and
25 be a little more honest with the folks on the job basis.

1 And the other thing, speaking about jobs, nobody
2 has mentioned how many jobs will be lost. How many jobs
3 are going to be lost by retail businesses in the City of
4 Fresno? Take away this business, some of those jobs are
5 going to be lost. Those people will be out of work.
6 How many jobs will be lost in the farmland? Every time
7 you take an acre away, you take away x number of people.
8 I can't tell you what the number is off the top of my
9 head. I can tell you how many cows you lose, but
10 I can't tell you how many workers you lose. Nobody has
11 mentioned how many jobs will be lost, but there's a
12 little give and take there. I'd like to see some
13 numbers generated on that. Thank you very much.

14 CHAIRMAN RICHARD: Thank you and before I
15 ask Mr. Olivera to come up, Mr. Browning, would you
16 convey my thanks both to you and your wife. Both of you
17 were very gracious when I visited.

18 MR. BROWNING: I will. Thank you very much,
19 sir. Come on down any time.

20 CHAIRMAN RICHARD: We'll be back.

21 Mr. Olivera.

22 MR. OLIVERA: Thank you, Mr. Richard, for an
23 opportunity to speak before you folks.

24 I don't know if the board members understand that
25 I've actually been to the last 15 meetings, board

1 meetings. I didn't speak at the first seven -- or first
2 eight -- seven because there was no reason to speak. I
3 was trying to figure out what was going on, how this
4 affected me, my neighbors, other people. But on May
5 5th, 2011, information was presented to this board that
6 was not true, blatantly not true, about the community
7 that I live in. Decisions were received based on that
8 information from staff. The authority board, based on
9 that information, proceeded with the environmental
10 process.

11 If that information was true, I can understand
12 the decision, but it wasn't true, and the
13 representatives from the community attempted to correct
14 that in good faith. We were told to go away. Nobody
15 cared. "Go back and find friends." So we did. Now
16 we've become the opposition, because we simply said,
17 "This isn't right, what's being be done." It's still
18 not right. Our due process was violated along the way.
19 Our civil rights were probably violated. The law was
20 broken in dealing with us.

21 So all of that said, we've been the opposition.
22 Now, I have a lot of hope, because Mr. Richard came down
23 and visited with us in the community last Friday. I
24 support his interaction with us and our elected
25 officials, because that's all we asked for all the way

1 along the line is a opportunity to work with the board
2 on factual information.

3 I urge you not to accept the minutes or approve
4 the minutes for the last meeting, because the minutes
5 reflect, under the station planning section, that
6 certain things were true that are not, and the minutes
7 before you continue on the perpetuation of fraudulent
8 information. So I urge you not to accept the minutes,
9 to get it right, build this section right.

10 I'm going to move because it's not my time.
11 These places object to you, because of this kind of
12 activity, and we would like to change that and work with
13 you, and I'm looking forward to it in the future. Thank
14 you.

15 CHAIRMAN RICHARD: Thank you, Mr. Olivera,
16 and thank you also for taking time last week and showing
17 me the situation on the ground. I appreciated that.

18 William Mack followed by Raymond Burton.

19 MR. MACK: Hi, I'm William Mack, and I'm
20 from the operating engineers also, and, you know, it
21 looks to me like you guys have a lot of hard work ahead
22 of you on this thing. And I really appreciate the work
23 you're doing on it.

24 A community is like a growing -- something that's
25 growing and it's either growing or it's dying. And the

1 men that you have heard here today that walked up and
2 said they need jobs, those men are -- you know, and the
3 possibility of them moving to other states or other
4 areas. And that makes the community die, when you lose
5 people that care about a community enough to come up
6 here and talk.

7 And I'd just like to let you know that I'm in
8 full support of this system, and I know the operating
9 engineers are, too. Thank you.

10 CHAIRMAN RICHARD: Thank you, sir.

11 Raymond Burton followed by Anthony Lima.

12 Mr. Burton? Raymond Burton?

13 Anthony Lima followed by Rob Carrion.

14 MR. LIMA: Good morning, Chairman, fellow
15 members of the board. My name is Anthony Lima. I'm a
16 California native, resident and member of operating
17 engineers.

18 I'm in total support of this high-speed rail
19 initiative. I see the long-term benefits and the gains
20 that can come from it not only putting my craft back to
21 work and other craft members but non-tradesmen as well.
22 The reciprocating jobs that will flow down by this being
23 built would be very beneficial to the California
24 economy.

25 One of the things I'd like to also point out too

1 is that I'm very pleased with your guy's focus on the
2 solutions to the problems, and one of the problems that
3 we may be facing is the lack of additional federal
4 funding if we don't break ground and do something soon.

5 And with that, I'd like to say thank you for your
6 time and can -- let Rob Carrion have the rest of my time
7 as well. Thank you.

8 CHAIRMAN RICHARD: Mr. Carrion is going to
9 have his own time, which is fine.

10 Mr. Carrion.

11 While he's coming to the podium, I just want to
12 say one thing. A number of people have thanked us for
13 our time. This is your time. We've actually got
14 several people on this board who have worn this
15 country's uniform to make sure that this is your time.
16 So you don't have to thank us. This is your time to
17 speak to us.

18 Mr. Carrion.

19 MAN IN AUDIENCE: I believe he left.

20 CHAIRMAN RICHARD: Okay. Matt Wainright.

21 Okay. Anne McMonigle followed by Jamie -- or --
22 this is a tough one.

23 MS. MCMONIGLE: Good morning. I'll be
24 brief. My name is Anne McMonigle. I'm here on behalf
25 of the California Labor Federation. We represent both

1 brothers and sisters in the building trades as well as
2 in the operating and maintenance side of this project.

3 We need the jobs, and we need them now. We need
4 the investment in the valley. We continue to support
5 you on this project, and we look forward to working with
6 you further. Thank you.

7 CHAIRMAN RICHARD: Thank you.

8 Okay. I apologize for this, but it's a person
9 who is representing "I Will Ride" from Lake Road in
10 Merced. "Jamin" or "Javier" or something like that.
11 I'm sorry. That's the best I can do with this.

12 Okay. Sean Duffy from "I Will Ride."

13 MAN IN AUDIENCE: He also left.

14 CHAIRMAN RICHARD: Okay. Daniel Martinez.

15 MAN IN AUDIENCE: Also had to leave.

16 CHAIRMAN RICHARD: Okay. David Cameron
17 followed by Michael Lomio.

18 MR. CAMERON: Thank you, Chair, and thank
19 you for your service. I know that the board is in good
20 hands with you being elevated. And, Tom, thank you for
21 your service both in uniform and on this board. And
22 Roland I am -- Roelof, I am like -- was stunned when you
23 stepped down last night, but I thank you so much for
24 putting this project on a very strong foundation to move
25 forward.

1 My name is David Cameron. I'm with the
2 Internation Brotherhood of Teamsters. I'm the Assistant
3 Director at the Teamsters Rail Conference. We represent
4 70,000 locomotive engineers and maintenance of way guys
5 and -- as well as 1.4 million workers around the
6 country. And we are very strong supporters of this
7 project. We've been discussing high-speed rail in this
8 country since 1964 when the first legislation was passed
9 in the US Congress. That was 47 years ago.

10 And I just got back from France where I did the
11 TGV from Aix to Paris, about a 500-mile trip in about
12 three hours. A remarkable ride, much steadier than the
13 Amtrak trains and clearly much faster.

14 We're strong supporters of this, and we can't
15 wait for the first shovel to hit the ground. Thank you.

16 CHAIRMAN RICHARD: Thank you, sir.

17 It's either Michael Comio or Lomio from "I Will
18 Ride." May have left also.

19 Oh, I'm sorry, sir. Good morning. How did I do
20 with your name?

21 MR. LOMIO: It's pronounced "Lomio,"
22 L-O-M-I-O.

23 I'm a student from UC Merced, and I'm originally
24 from San Jose, but I just want to express how truly
25 gratified I am that you guys are actually creating

1 high-speed rail for the Central Valley and for the State
2 of California as a whole.

3 I go to UC Merced, and it was once a dream but
4 became a reality, and high-speed rail can also become a
5 reality one day. And I think that UC Merced and
6 high-speed rail together would create Merced into a
7 greater system, a greater economy, and I think that
8 high-speed rail would also improve the state's economy
9 as well as Merced's economy as well.

10 But, You know, we have a infrastructure problem
11 that we need to handle, and I truly believe that
12 high-speed rail will actually help this. And being a
13 political science major and economics major, I took ECON
14 1, and I can already tell that infrastructure is the key
15 to improving our economy, and I think that this will
16 truly help it. Thank you for your time, and thank you
17 for doing this project.

18 CHAIRMAN RICHARD: Thank you.

19 Ryan Heller followed by Paul Guerrero.

20 MR. HELLER: Good afternoon. My name is
21 Ryan Heller. I'm the founder of "I Will Ride," which is
22 a student group at UC Merced dedicated to advocating for
23 high-speed rail and supporting the project.

24 I just wanted to say, at the very beginning of
25 this meeting, the Chairman said, "We know the ridership

1 numbers are there," and I agree. You're looking at
2 them. They're in this room. They're up and down the
3 state. My colleagues were here earlier, but they had to
4 go lobby their legislators. But they are among those
5 numbers, and so that is the point of our message is that
6 "I will ride." We will ride this project when it comes
7 to fruition. We're in strong support. We appreciate
8 the work that this board has done. We appreciate the
9 work of the CEO as well.

10 We need this. California needs this. This is
11 the future of transportation. This is a 21st century
12 project truly. And to us, nothing is more important
13 than having gainful employment after college and making
14 sure that this project happens and that it breaks ground
15 on time is the single most important thing we can do to
16 that end. And so we appreciate the work of this board,
17 and we continue to support this project. Thank you for
18 your time.

19 CHAIRMAN RICHARD: Thank you.

20 Paul Guerrero.

21 MR. GUERRERO: Good morning.

22 Congratulations, Mr. Richard. I'm speaking on behalf of
23 La Raza Roundtable. We are a Hispanic organization our
24 membership stretches from Fresno to San Jose and myself
25 from Stockton and others in Stockton. So we cover the

1 Central Valley pretty well, and we cover the Bay Area.

2 And so I spoke many times before this board, but
3 I have never said, so that you know, that we support
4 this project. We always have supported this project,
5 but we want to participate in this project. Our
6 contractor members want to build the project, and we
7 have people that are in the trades who want to build
8 this project, and so we have a vested interest in seeing
9 this project get off the ground.

10 We urge you to adopt a DBE program that is
11 separate from this small business program. You started
12 going with a race-neutral program, which you can start
13 immediately and then expedite the disparities study. So
14 we get that done before we break ground, and then let's
15 get a final program going. But I want to, again, say La
16 Raza supports this program. Thank you.

17 CHAIRMAN RICHARD: Thank you, sir.

18 Jessica Gibson.

19 MAN IN AUDIENCE: She left.

20 CHAIRMAN RICHARD: Okay. And then the last
21 comment form I have is from Ed Dunkel Jr., and if
22 there's anybody else that wants to fill out a comment
23 form, this is the time to do it.

24 Mr. Dunkel. All right.

25 MR. DUNKEL: Mr. Chairman, members of the

1 board, thank you. I don't listen very well, so thank
2 you very much, and I hope the gentleman before wasn't
3 prophetic, and we're not moving our vice-chair. So
4 thank you for your service.

5 I want to thank you, Mr. Umberg, and Mr. Van Ark
6 very much for their service. You handled your positions
7 with dignity and class. And frankly, you've had to put
8 up with a lot of BS, and you've handled it wonderfully.
9 So things have been thrown to you that were unjust and
10 unkind to say the least, and the way you've handled
11 yourselves is more than good. So thank you so much.

12 You know, I stand before you, I'm from the
13 Central Valley, 5th generation, and we need this project
14 more than anything. I know that construction dollars go
15 through the economy seven times -- seven times,
16 construction dollars. People say you can't afford to
17 build it. I say you cannot afford not to built it.

18 I see the people hurting. I know how
19 construction dollars go through the economy, because I
20 remember being tide to the local residential market.
21 People were prospering because of how the residential
22 market was working, and all the ancillary businesses
23 that were connected and were able to make profit and
24 people be employed, were immense. When that took a
25 downturn, it hurt the economy everywhere, and this will

1 do the same thing as far as helping our economy. The
2 number of jobs, the ancillary businesses that will be
3 supported through this, will be immense.

4 I do know this, unemployment and welfare, the
5 return on investment on that is not very good. So if we
6 put money into our economy with this construction
7 project, things are going to happen that are good. So
8 again, I thank you very much for your service, and keep
9 up the good work.

10 CHAIRMAN RICHARD: Thank you. I have no
11 more speaker requests. So with that, the public comment
12 period is closed.

13 We'll move on to Item 3, which is the Approval of
14 Minutes. Do I have a motion on that?

15 MR. UMBERG: I'll move.

16 MR. RICHARDS: Second.

17 MR. HARTNETT: Second.

18 CHAIRMAN RICHARD: Moved by Mr. Umberg,
19 seconded by both Mr. Richards and Mr. Hartnett.

20 Secretary, please call the roll.

21 And, Lisa, I think it's a matter of personal
22 preference, but in my past experience on the BART Board,
23 the Chair always voted last as not to try to send any
24 signals to the board members. So if you could drop me
25 to the last place on that, I'd appreciate it.

1 MS. TOOF: Sure. Okay.

2 Mr. Richards.

3 MR. RICHARDS: Yes.

4 MS. TOOF: Ms. Schenk.

5 MS. SCHENK: Yes

6 MS. TOOF: Mr. Burns.

7 MR. BURNS: Yes

8 MS. TOOF: Mr. Rossi.

9 Mr. Hartnett.

10 MR. HARTNETT: Yes.

11 MS. TOOF: And Mr. Richard.

12 CHAIRMAN RICHARD: Yes.

13 Okay. Item 4.

14 MS. TOOF: Did I leave you out?

15 MR. UMBERG: I'll vote "yes."

16 MS. TOOF: Did I leave you out? I'm sorry.

17 CHAIRMAN RICHARD: That's what happens when
18 somebody comes along and changes the order.

19 Mr. Umberg will be reported as an "aye" vote.

20 Okay. Next, Item Number 4, Mr. Van Ark.

21 MR. VAN ARK: Mr. Chairman, members, the
22 issue Item Number 4 relates to the Board Policy and
23 Procedure Amendment. You personally had indicated to me
24 an interest as well to look at the possibility of
25 focusing more on an audit committee, as in the past year

1 Chair Umberg as well as the vice-chair Schenk, they had
2 discussed this issue with us quite a few times. And so
3 what we did do is put this on the agenda for today for
4 consideration by the board.

5 On considering the policy as it stood, it was
6 clear that many of the issues that fell into the
7 financial committee's responsibilities were those that
8 would normally be done by an audit committee in any
9 case, and for exactly that reason, we have now
10 recommended that the Finance Committee be renamed the
11 Finance and Audit Committee of the board and that the
12 audit responsibility be added as one of the
13 responsibilities for this committee to look at.

14 One of the reasons being, we just recently had a
15 Bureau of State Audits re-audit, and it -- clearly, in
16 situations like that, it would be good to have a Finance
17 and Audit Committee who would be responsible for issues
18 related to that audit as well.

19 CHAIRMAN RICHARD: Thank you, Mr. Van Ark.

20 Before I ask for other comments, let me also say
21 that I believe it's correct that then Chair Umberg's
22 letter to the joint legislative audit committee
23 indicated that this body would take those
24 recommendations seriously, that we could. Some of them
25 relating to federal funding are a little hard to get our

1 arms around but certainly to operations. So this is --
2 this is a worthy followup to that commitment that Chair
3 Umberg made.

4 Other comments from members?

5 MR. UMBERG: Just to move the issue.

6 MS. SCHENK: Yeah. Just a comment. I have
7 been advocating this for three or four years for various
8 reasons and analogizing to the private sector, publicly
9 held companies always have independent audit committees
10 and the importance of them. And while we're not a
11 non-shareholder driven, we certainly have an
12 extraordinary fiduciary responsibilities, and I'm very
13 pleased to see that we're finally going in that
14 direction. So thank you for that.

15 CHAIRMAN Richard: Thank you. I should also
16 point out that it will be my intention to ask Mr. Rossi
17 to serve as chair of this committee for two important
18 reasons. The first one is his deep background in
19 financial matters at the Bank of America, including
20 audit. And the second more important reason is that
21 he's not in the room right at this moment.

22 Is there a motion?

23 MR. UMBERG: Move.

24 MR. BURNS: Second.

25 CHAIRMAN RICHARD: Okay. It's been moved by

1 Director Umberg and seconded Director Burns.

2 Madame Secretary, please call the roll.

3 MS. TOOF: Mr. Umberg.

4 MR. UMBERG: Aye.

5 MS. TOOF: Mr. Richards.

6 MR. RICHARDS: Aye.

7 MS. TOOF: Ms. Schenk.

8 MS. SCHENK: Aye.

9 MS. TOOF: Mr. Burns.

10 MR. BURNS: Aye.

11 MS. TOOF: Mr. Hartnett.

12 MR. HARTNETT: Aye.

13 MS. TOOF: Chairman Richard.

14 CHAIRMAN RICHARD: Yes.

15 MS. TOOF: Thank you.

16 CHAIRMAN RICHARD: Okay. Next is Item 5

17 Supplemental Alternatives Analysis Report for

18 Bakersfield to Palmdale.

19 MR. MCLOUGHLIN: Good morning, Mr. Chairman
20 and members of the board. Mark McLoughlin with
21 High-Speed Rail.

22 I'd like to introduce this item today, we'd like
23 to provide you with an update of the Supplemental
24 Alternatives Analysis Report and also provide staff
25 recommendations for the Bakersfield to Palmdale section.

1 Today we -- in the update, we will include any
2 changes in alignments and station alternatives, and we
3 will reduce the number of the alternatives discussed
4 previously in the primarily alternatives analysis as
5 well as refine profiles and those carried forward.

6 As you may recall, this item was before the board
7 in September of 2010 with the adoption of the
8 preliminary alternatives analysis recommendation for
9 this section. Upon your affirmative board action today,
10 the Bakersfield to Palmdale team is ready to progress
11 with the 15 percent design and the draft EIR/EIS
12 document.

13 I'd like now to introduce Mark Wiseman of the
14 Bakersfield to Palmdale team of EIS. He's the plant --
15 team planning manager, and he'll provide you with the
16 presentation. Any technical questions, please refer to
17 Mr. Wiseman.

18 CHAIRMAN RICHARD: Thank you. Good morning.

19 MR. WISEMAN: Thank you. I'm Mark Wiseman.
20 As Mark said, I work with the US Corporation in San
21 Francisco. I'm the planning manager for the
22 Bakersfield, Palmdale study.

23 The purpose of coming to you today is to both
24 give you an update of the alternatives analysis planning
25 work that's coming to date and provide you, hopefully,

1 the rationale for the recommendations before you.

2 I know some of you are new on the board, and it's
3 probably good to give you a little bit of history. What
4 we're doing here, this section itself, that we're
5 looking at between Bakersfield and Palmdale section, is
6 88 miles long. In our planning work, we have been
7 focusing primarily on these sections that are colored on
8 the left. Edison is in pink. Edison is the flat,
9 agricultural area east of Bakersfield. The green area,
10 Tehachapi, is the mountainous area in between. And then
11 through the Mojave down to Palmdale is Antelope Valley.

12 Just some background, we are following the
13 corridor that was identified as preferred alternative in
14 the programmatic document EIR/EIS in 2004, 2005. The
15 corridor follows the major transportation corridor in
16 the this area. It's on 58, the UP railroad, and SR14 to
17 get from Bakersfield to Palmdale.

18 The topography that, as I eluded to, is quite
19 varied in this area. From the City of Bakersfield,
20 we're at 500 feet above sea level, and we climb rapidly
21 to 4,000 fee atop of the Tehachapi Pass in the City of
22 Tehachapi and then come down to the Mojave into the
23 Community of Roseland and the City of the Palmdale. So
24 there's a great variety of topography here we have to
25 encounter in terms of our engineer work that we have

1 here in the valley.

2 After we -- when we started our alternative
3 analysis, we looked at many different options for
4 getting through the mountain in particular. Like the
5 people in the LA, Palmdale team we used quantum software
6 to help us provide some insight into cost effective,
7 environmentally sensitive and routes that could get
8 through here in a way that serves the purpose and need
9 of getting through quickly.

10 Quickly on, we understood that the blue
11 alignments that you have here, which follow the
12 programmatic alignment were preferable. They were much
13 more inline with the purpose and need and travel time.
14 And they were much more environmentally sensitive,
15 because they were long-existing corridors and were not
16 in areas that were rugged without access.

17 We used the evaluation criteria that the
18 authority has used in all its alternatives analyses to
19 weed out the alternatives that were in that previous
20 illustration. We primarily came up with two alternative
21 alignments. Horizontally, through Edison, Tehachapi,
22 and the Antelope Valley, and brought those to you in
23 September 2010, As Mark has previously said. The
24 alternatives analysis report was approved by you at that
25 point.

1 Since that time, we have had time to take a
2 breather, to look back at what we were doing, and try to
3 figure out how we can refine some of these alignments,
4 respond to what we were hearing from the stakeholders in
5 the community. We've gone out and done several dozen
6 stakeholder meetings since then. We were focused to try
7 to address those issues, to reduce environmental impacts
8 wherever possible, and also to contain costs.

9 So in this area, what we're doing to contain
10 costs is three items that we looked at, trying to lower
11 profiles from Alameda to at-grade, reduce viaduct tunnel
12 in length in and Tehachapi area, and if possible, find a
13 shorter alignments at -- between Bakersfield and
14 Palmdale at least a little bit.

15 So the engineers went back out and went to
16 stakeholder meetings, and we started to discussing how
17 we could do this in the three different areas described.
18 You see here on the left, we tried the lower profiles
19 from Alameda to at-grade. On the Tehachapi area, we
20 actually created a whole new alternative in red that has
21 a steeper gradient based on some design variance from
22 the Grapevine study that we employed here as well, and
23 we did find a little bit of a shorter alignment to be in
24 a more direct route between Tehachapi and Roseland, as
25 you see.

1 Now, specifically, I want to go through a little
2 bit more detail so you understand exactly what we
3 encountered here in doing some of the these adjustments
4 according to our objectives. In the Edison area, we
5 basically accepted the horizontal alignments that were
6 established in previous preliminary AA work as
7 justified. We kept the same routes. We tried here
8 where the solid line is to take elevated alignments,
9 which primarily were primarily throughout the whole
10 subsection here and put them to grade. We came through
11 with a couple of issues that we encountered had in doing
12 that.

13 The white circle in the center of the
14 illustration shows you the community of Edison. It's a
15 EJ community, and we have to -- by going to grade, we
16 sever some of the major north/south arterials, which
17 provide a lot of truck access to agricultural interests
18 in this area. In fact, there are four major
19 agricultural packing and shipping plants that line
20 Edison highway. And our alignment, if at-grade, would
21 cut access to those businesses.

22 So we need to deal with that in the future and
23 our 15 percent design and go back to the stakeholders
24 and try to work out a solution to that. Probably, we
25 will incorporate more of combination between elevated

1 and at-grade alignment.

2 On the right-hand side of the illustration, here,
3 we go back up in the air, elevated across a major flood
4 plain called Caliente Wash. Just wanted to give you an
5 idea of what that could possibly look like. It's going
6 to be one of the few high, long viaducts that we have.
7 This is from France, one of the TGA Alignments.

8 Obviously, we're trying to minimize this, because these
9 are expensive structures. And I think we have in a lot
10 of ways when you cross into the mountainous areas.

11 Other issues we're looking at here are issues of
12 land use. You see in the upper left-hand corner, Tejon
13 Ranch extends all the way over from Grapevine to our
14 corridor on Highway 58. Tejon Ranch is part of a
15 development agreement with the county that has initiated
16 and formalized conservation easements shown here in
17 yellow. The Tejon Ranch Conservation Trust has been
18 established to maintain that. Their major concern is
19 that -- not only keeping that area as prestrain as
20 possible and developed but also to maintain wildlife
21 circulation as it is one of the main animal -- wildlife
22 corridors in the southwest.

23 Further down to the southeast, Loop Ranch,
24 Cummings Ranch are other two major private property
25 owners in the area. Loop Ranch is an extensive cattle

1 operation, and our alignments go right by the facilities
2 of the ranch operation the corrals, feed lots, et
3 cetera. We would be sensitive to having a profile that
4 really can keep that operation going.

5 Next is the Cesar Chavez Center. The Cesar
6 Chavez Foundation has redeveloped some historic
7 properties in that area, and they're gorgeous, and they
8 conduct educational classes and also have a memorial to
9 Cesar Chavez there. We're within viewshed, although not
10 adjacent to the center itself, we're trying to be
11 sensitive to their environment.

12 The purple lines that you see on the map are the
13 fault lines that are -- we have to account for on the
14 grade as we're coming through here. So many challenges
15 to work on engineering-wise.

16 And I wanted to focus on the alignments in blue,
17 yellow, and red, because The next slide I'm going to
18 show you what happens to different gradients through the
19 mountainous areas.

20 In the upper right-hand corner, you can see the
21 gradients of the original two alignments. The blue and
22 the yellow are 2.5 to 2.75 gradients over a distance of
23 12 to 20 miles. The design variance that we used for
24 the new T3 alignment is in red has a 3.3 percent
25 gradient over 8 miles. It gives us much more

1 flexibility to be able to hug the contours in a way that
2 presents us from doing the high, long viaducts that you
3 see with the blue alignment.

4 The red alignment, here, also will save us time
5 and money in getting up through the mountain areas, and
6 as you can see, the more you make the grade shallower,
7 the higher the alignments get.

8 The other advantage to the new T3 is that not
9 only does it cut time, a minute off of the overall
10 travel time between San Francisco and LA, but provides a
11 shorter route. It also avoids certain impacts that we
12 found that would be produced by preliminary AA
13 alternatives shown in blue and yellow.

14 The first circle on the left is the place where
15 we'd be elevated, because you cross Oak Creek Road and
16 the UP Spur. It is at the same point that L.A. DWP has
17 major transmission lines coming from Oregon, and they
18 would have to be elevated into the Mojave air space,
19 which Mojave airport certainly does not want us to do.

20 In addition, the colored areas around the map,
21 here, that you see are potential wind farms that are
22 being permitted right now. All of our alignments would
23 have to go through some of them to place wind turbines.
24 As you can see at the top portion of this graphic, there
25 are many more areas of wind turbines, and also the

1 yellow area in the second circle is where there are two
2 solo projects that we completely displace that if we
3 chose that alignment. In addition, there are impacts to
4 mining operations along SF14 and the interchange itself.
5 And for those reasons, we feel that new T3, the new
6 alignment, is much preferable to the old ones.

7 Similarly, in the Antelope Valley, we're coming
8 down through the same alignments horizontally that were
9 in primarily AA. The blue alignment is bordering the UP
10 all the way through whereas the gold alignment is on the
11 west side of the sierra alignment and completely avoids
12 the UP right-of-way.

13 Most on this right-of-way was at-grade through
14 the primarily AA, but in the community of Roseland and
15 the City of Lancaster, it was elevated. We tried to
16 figure out if coming to grade would be beneficial.

17 There are issues with the City of Lancaster and
18 the community of Roseland in terms of severing east/west
19 major arterials. We'd have to deal with grade
20 separations that are problematic in some ways for land
21 use and displacement issues. The City of Lancaster has
22 a major commercial for streets that were designed
23 recently. That would be severed by this alignments,
24 both of them, and we'd have to figure out a way to grade
25 separate if we did this particular alignment.

1 So in conclusion, I just wanted to show you where
2 we are on the process to get from planning to finalizing
3 the environmental record of decision. We have many
4 steps to go through with the next year or so and -- but
5 that's where we are on the process right now. If you
6 approve the recommendation before us, we'll move right
7 into 15 percent design and draft EIR/EIS.

8 So what's before you are these recommendations:
9 In the Edison area, carry forward preliminary AAE2B,
10 which is elevated, one of the original alternatives, and
11 add the E2 at-grade and determine, intermix with the
12 optimal profiles.

13 Second, carry forward preliminary AAE4 elevated
14 and the new E4 primarily at-grade and decide which
15 profiles would be optimal through those areas, and
16 particularly in the town of Edison. Withdraw
17 preliminary AAE2A, which was a hybrid that didn't work
18 very well.

19 Through the Tehachapis, carry forward the new T3
20 in red and also the preliminary AAT31 in yellow.
21 Refine -- normally the blue alignment being -- having so
22 many viaducts long and high would be the withdrawn.
23 We decided to take a chance with that. Refine it and
24 try to -- using the same criteria we used for the new
25 the new T3, in terms of gradient and see, because it has

1 a slightly different alignment through the Tejon Ranch
2 areas, as you see in the upper left-hand corner, whether
3 there are environmental tradeoffs that would make that
4 alignment a better alignment to follow than the red.

5 We withdraw preliminary AAT3B and T32B, which had
6 a slightly different profile through this area, mainly
7 because we have been allowed to increase the gradient
8 here.

9 In the Mojave area, which you see in the lower
10 right-hand corner, we carry forward new T3 in the red
11 and withdraw the original preliminary AAT31 and T32 in
12 the yellow and blue lines, because of all the advantages
13 I talked about and avoiding the impacts that those two
14 alternatives created.

15 With the Antelope Valley, finally, carry forward
16 the primarily elevated and at-grade alternative both at
17 the blue and gold line. Try to find out the optimal
18 profile for those, both of those, alternatives working
19 with the City of Lancaster and Community of Roseland and
20 then also try to investigate shared use of UP for AA2V4,
21 which borders it.

22 So with that, if you have questions, we can
23 entertain them.

24 CHAIRMAN RICHARD: Questions from members?

25 First, Mr. Van Ark.

1 MR. VAN ARK: Mr. Chairman, I just want to
2 make you aware of this a recommendation from staff for
3 your approval today. The summary of the same
4 recommendations can be found on page six of the board
5 papers. So if you want to revise them or look at them.

6 CHAIRMAN RICHARD: Okay. And could you just
7 clarify, at least for my edification, I had mentioned to
8 Mr. Van Ark, that I managed to leave my binder somewhere
9 else. But are there -- so it's all of these
10 recommendations, or are we looking at alternatives in
11 each of these alignments here?

12 MR. VAN ARK: There are alternatives in all
13 of these alignments. So what you're seeing is that some
14 recommendations are adding alternatives to them or
15 withdrawing some, but the intent is always to try and
16 retain alternatives and to optimize the system as we
17 move forward.

18 CHAIRMAN RICHARD: All right. Before we go
19 on, although the public comment period is closed, we do
20 have one speaker who wishes to speak on this matter, and
21 I think we'll allow him to do that.

22 Mr. Tolmach.

23 MR. TOLMACH: Thank you, Mr. Chairman
24 Richard and board. I just wanted to ask three questions
25 on the alignment, specifically over the Tehachapi

1 portion.

2 The 1952 the Kern County Earthquake destroyed
3 eight miles of track near the White Wolf Fault. I
4 noticed you rejected all the quantum alignments, which
5 would have avoided the White Wolf Fault. Why are you so
6 sure that another earthquake won't destroy a similar
7 extent of track on the high-speed rail? That was the
8 biggest earthquake in southern California in the last
9 century. So it is, I think, a significant hazard to
10 that route.

11 The second question is, what is an example of an
12 existing high-speed rail line which has a ruling grade
13 of 2.5 percent or higher over 20 miles? I know Tony
14 Daniels was quite outspoken on how far out this was for
15 high-speed rail. This is the extreme case. I'm just
16 curious if anybody knows of a similar case where a
17 similar line with similar gradient has been designed.

18 The third question is, I'm very glad you found
19 some mile savings on this longer route. I'm wondering
20 is there a current mileage, official mileage, for
21 Palmdale and an official mileage with the new
22 alternative, new T3?

23 CHAIRMAN RICHARD: Thank you, Mr. Tolmach.

24 Questions from members? Ms. Schenk.

25 MS. SCHENK: Thank you, Mr. Chairman. The

1 speaker has brought up a question that I wanted to
2 inquire about, and that is if we can have a bit of an
3 extended discussion on the earthquake aspects of it as
4 it's something that we've been asking over and over
5 again, and obviously, everyone is concerned about that.

6 MR. WISEMAN: Right. I refer to Mr. Van Ark
7 for that one.

8 MR. VAN ARK: We have -- I mean just as a
9 general statement and if the board would like, I think
10 we could get people in to give you a talk particularly
11 on that, but there are parameters that the authority
12 lays down, engineering parameters, as to how to approach
13 earthquakes and how to do the designs. And one of them,
14 particularly being, at how an earthquake fault should be
15 approached, preferably, at-grade. Because that means if
16 there should be an earthquake -- there's always a
17 probability, and we work on the probability of
18 earthquakes. There is always the probability of an
19 earthquake. But certain faults have less -- lower
20 probabilities than other faults do. The statistics and
21 data is available as well.

22 Also the amount of a move, a probable move, out
23 of an earthquake is generally very researched and known,
24 but we're trying to approach an earthquake at-grade for
25 the reason that if an earthquake should occur, the

1 repair for such an earthquake can be done soon.

2 An earthquake can be accommodated inside a
3 tunnel, but then you have to, basically, design that
4 tunnel to accommodate a possible movement of that track
5 so that you can make that repair at the time.

6 Now, what most people are concerned about is what
7 happens in an earthquake when the trains are operating,
8 but you also heard a lot from, for instance, the
9 Japanese. They're not the only ones who have monitoring
10 and sensing equipment, but, you know, any country -- and
11 we will have that in California as well -- that does
12 have earthquake, the likelihood of an earthquake,
13 they're sensing, which we will have in our project as
14 well, will be done. And as soon as you get to specific
15 types of earthquake's movements or monitoring, you shut
16 down the system immediately, and you evacuate the
17 people.

18 So that is accommodated completely separately
19 from the design that you have to do to minimize the
20 impact, but you do understand that between northern and
21 southern California, we'll have two tracks. And if
22 there is an earthquake and if that earthquake does move
23 one of these tracks, one thing we are certain about, you
24 want to be able to do that repair as soon as possible.

25 Again, I think we are very fortunate in our

1 business that we do have colleagues, for instances, and
2 associations with people like the Japanese who do help
3 us with the seismic design criteria but also informing
4 us on the seismic monitoring systems that we would be
5 incorporating in our system as well.

6 MS. SCHENK: May I follow up just for
7 informational purposes. Is Dean Frieder Seible involved
8 at all in the design? He's the Dean of the Jacobs
9 School of Engineering at UCSD and is the, I believe, the
10 Chair of Caltrans Seismic Safety Committee and is
11 advisor to China, Japan, and other countries and has
12 expressed, you know --

13 MR. VAN ARK: There are a few ways in which
14 he or his groups are involved. One is he's on the peer
15 review group. So the peer review panel of the
16 California High-Speed Rail. So -- but obviously, his
17 role there is more on the executive item of seismic
18 advice or information. But we also have presented, just
19 some months ago to the Californian -- to the California
20 at Caltrans High-Speed Rail -- sorry. The Caltrans
21 Seismic Advisory Board. So our engineers reported to
22 them, and we had a session with them on what we are
23 doing, how we are doing it, and we got their commentary
24 as well on, you know, recommendations from their side.
25 And Professor Seible was at that particular meeting. I

1 was there as well.

2 CHAIRMAN RICHARD: Yes, Mr. Umberg.

3 MR. UMBERG: Thank you. If we can go back
4 to the slide where it depicts the steps. I think it was
5 about three --

6 MR. WISEMAN: You mean the incline?

7 MR. UMBERG: No. It was the --

8 MR. VAN ARK: The timeline.

9 MR. UMBERG: The timeline, exactly.

10 MR. WISEMAN: The timeline. Okay. This
11 one.

12 MR. UMBERG: Can you give -- and I realize
13 the dates aren't certain yet -- but just some idea of
14 what the dates look like?

15 MR. WISEMAN: I think it's still a process,
16 but from what I understand, the record of decision, the
17 very end, will be done at the end of 2013. That's the
18 goal.

19 MR. UMBERG: Okay. All right. That answers
20 my question.

21 MR. VAN ARK: That's two years period of
22 time.

23 CHAIRMAN RICHARD: Mr. Richards.

24 MR. RICHARDS: Thank you, Mr. Chairman.

25 Can you just generally summarize the public

1 comments and to the extent you are able to do so, how
2 they have been or will be integrated in moving this
3 supplemental alternatives analysis along.

4 MR. WISEMAN: I think this is really one of
5 our strong points. We have met with at least two dozen
6 stakeholders in this area throughout -- from Edison all
7 the way down to Palmdale over the course of the whole
8 Supplemental AA multiple times bringing, plans,
9 profiles, role maps to -- showing them what we're
10 proposing, what was there before, and trying to get
11 their feedback, so we can inform the engineers about
12 what issues to consider. The process has been ongoing
13 throughout the whole last two years. And I feel very
14 good about that interaction.

15 I think we've gotten some very good, strong and
16 favorable comments. Some of them critical, which we
17 have addressed, and some of the favorable about what we
18 can do with 15 percent design.

19 MR. VAN ARK: Member Richards, it sounds not
20 that much as compared to the peninsula or something when
21 you say a "few dozen," but clearly, as you saw from the
22 drawings there, there are three major land owners in
23 this area, and meetings have been held with them. They
24 have been very interactive. Certainly, not as many
25 stakeholders in a section like this compared to others

1 where we go through in the cities. But yes, a lot of
2 interaction has taken place with stakeholders.

3 MR. WISEMAN: And as soon as this is
4 approved, we're going back out with refinements, because
5 obviously, we've got issues to deal with in terms of
6 profiles with communities. All of those communities are
7 going to be consulted, and they will be part of the
8 process to get the optimal profiles. We can't do it
9 without them.

10 MR. RICHARDS: Thank you.

11 CHAIRMAN RICHARD: And just to follow up on
12 Board Member Richard's question, obviously, we didn't
13 have people who were concerned enough to come to the
14 board today, but do we have written comments or other
15 things on this matter that have come in that will give
16 us some sense of whether concerns were raised about any
17 of these particular alternatives from counsel or
18 Ms. Toof.

19 MR. VAN ARK: I have no knowledge of written
20 comments about it, Mr. Chairman. I do have
21 knowledge that we got -- we got confirmation back from
22 Palmdale as an example that they were very anxious for
23 us to continue on this basis. So they -- you know, we
24 checked with them as well. Obviously, because it is
25 soon after the decision to withdraw the Grapevine, but

1 they were very anxious for us to continue fast.

2 I would also like to say that you do understand
3 the details of Bakersfield is actually done by the
4 Bakersfield to Fresno team. So therefore, you do not
5 hear a lot of the details. You know, how the
6 environmental process works, it goes from city to city,
7 but one of the teams is responsible for the actual
8 cities. So the details of, of Bakersfield is actually
9 the other team, but I will make mention of that in my
10 CEO's report. We've had meetings with Bakersfield as
11 well, which will be very constructive. So -- but it's
12 not necessarily a list that we have given you feedback
13 on that one.

14 CHAIRMAN RICHARD: All right. Other
15 questions?

16 MR. VAN ARK: And sorry. If I may also say
17 so, Mr. Chairman, you may well recall from the last
18 board meeting, the lady representing Tejon Ranch wanted
19 to make it very clear to us, because they were a little
20 concerned that they were seen to be as not supporting
21 the project as such, and she, if you could recall, made
22 clear reference to the fact that we go through Tejon
23 Ranch here. And they have been constructive with us,
24 with the Tejon Ranch, you know, the interaction with the
25 High-Speed Rail group. So, you know, that also is a

1 positive statement in the last board meeting.

2 CHAIRMAN RICHARD: I do recall that. Thank
3 you.

4 Board Member Richards.

5 MR. RICHARDS: Yes, Mr. Chairman. I am
6 reasonably familiar with the area that we're discussing.
7 I have driven as closely as you can, to the right-of-way
8 that is being proposed. I'm supportive of staff's
9 recommendation for moving forward on the appropriate
10 alignments.

11 CHAIRMAN RICHARD: All right. Other
12 questions or comments?

13 Do you want to make that in the form of a motion?

14 MR. RICHARDS: Yes, Mr. Chairman. Thank
15 you. Or did you want to?

16 MS. SCHENK: I'll second.

17 CHAIRMAN RICHARD: All right. Motion was
18 made by vice-chair Richards, and it was seconded by
19 vice-chair Schenk.

20 Secretary, please call the roll.

21 MS. TOOF: Mr. Richards.

22 MR. RICHARDS: Yes.

23 MS. TOOF: Ms. Schenk.

24 MS. SCHENK: Yes.

25 MS. TOOF: Mr. Burns.

1 MR. BURNS: Yes.

2 MS. TOOF: Mr. Umberg.

3 Mr. Rossi.

4 MR. ROSSI: Yes.

5 MS. TOOF: Mr. Hartnett.

6 MR. HARTNETT: Yes.

7 MS. TOOF: Chairman Richard.

8 CHAIRMAN RICHARD: Yes.

9 Okay. Thank you. Thank you for your work on
10 that.

11 I was informed by Mr. Van Ark and unfortunately,
12 I knew this also directly, but Lance Simmens' father
13 suffered a stroke, and he is with him at this point in
14 Pennsylvania. We'll keep him in our thoughts and
15 prayers, but because of that, Item 6, I think, we will
16 put over.

17 Members' Report, anything that members would like
18 to report at this time?

19 Okay. Chief Executive Officer's Report, Mr. Van
20 Ark.

21 MR. VAN ARK: Mr. Chairman, members, I
22 decided to stand here again today, because I do have a
23 few comments. It's a little bit longer comments I'm
24 going to make to you. So it's easier to address you
25 from this podium.

1 First thing, the status of the RFQ for the
2 construction of the initial construction section. The
3 RFQ, as you know, for package one, package number one,
4 as we refer to it, has been concluded and companies have
5 been shortlisted or groups, consortiums have been
6 shortlisted. I do not necessarily want to go into the
7 details of this now. The information is available on
8 our website for anybody who wants to see it. Because as
9 soon as you get into consortiums, I don't want to have a
10 misinterpretation of the companies' names.

11 We are very happy with what we received and what
12 we were able to shortlist, and the information is
13 available. The companies have been advised. They are
14 aware of their selection and that they made the grade on
15 the shortlist.

16 We're now moving to the RFP, Request For
17 Proposal, for the construction of this first package
18 with initial construction section. The draft invitation
19 to do scope of work and general and special terms and
20 conditions will be provided to the shortlisted companies
21 in the form of a term sheet and for their review.

22 The shortlisted firms will then be asked to
23 comment, because clearly, we are interested in their
24 comments if there should be something in there that will
25 really, you know, make them want to withdraw. They have

1 been informed by us of the general condition before,
2 but, you know, we think that they should have the right
3 just to look at them again. This is a process of about
4 two weeks beginning this next week, and we will
5 interface with them, and get their inputs.

6 The term sheet, including these main points, the
7 RFP, as well as the recommendation on a stipend payment
8 to the non-successful bidders, will be put forward to
9 the March boarding meeting to yourselves in March for
10 you to consider and to vote on, and then we need to go
11 to the Public Works Board with the same conditions,
12 because we are subject to Public Works Board approval on
13 March 8. So at the same time, recommendations after you
14 see them, would go to the Public Works Board.

15 The Bay Area to Central Valley partially revised
16 program EIR documents. I mentioned in my last report to
17 you that the revised programmatic Bay Area to Central
18 Valley EIR/EIS documents were released for a 45-day
19 comment period on January the 6th, and the closing of
20 this is on February the 21st. Okay. The documents are
21 available on our website.

22 We will host a public hearing in San Jose between
23 4:00 o'clock and 7:00 p.m. in San Jose City Hall in the
24 City Council Chambers in 200 East Santa Clara Street,
25 San Jose on February the 9th, and there will be a board

1 member there as well as authority staff, and we will
2 hear public comment from whoever wants to participate
3 there.

4 We also will have a court reporter there to
5 transcribe the comments, because this is part of the
6 process so that we make sure that we have the right
7 interpretation of all the comments made.

8 So the Bureau of State Audits completed and
9 issued its follow-up audit. It's the follow-up audit of
10 an audit they did in April 2010. This is available on
11 their website. The authority would like to thank the
12 BSA for the work they have completed.

13 And as you heard earlier on, I think the Chair
14 referred to it, the authority will work diligently to
15 implement whatever is possible of the recommendations
16 made. We, however, had written a letter. The authority
17 had respectfully pointed out that there were certain
18 areas of disagreement concerning points made in the
19 audit report and maybe there are two categories I would
20 just like to refer to. The Chair referred to one
21 already and that is that high-speed rail believes that
22 the comments in the draft business plan, which lead to
23 one of their main conclusions, and that is that
24 high-speed rail planning situation has become
25 increasingly risky, as they call it, is purely

1 speculative and should not, in our opinion, form part of
2 the audit report.

3 The second point is regarding mainly issues of
4 project reporting. High-Speed rail believes that BSA
5 has not really understood the role of the Project
6 Management Team, PMT as we refer to them, on this
7 project. Those PMT, who are program managers and we
8 work together with them on a day-to-day basis, and they
9 work on behalf of the authority. Therefore, during the
10 planning of the environmental phase of this program,
11 it's obvious and necessary that the PMT manage and
12 challenges the regional consultants' reports, and their
13 input on a monthly basis.

14 It is different when you start talking about a
15 construction project, where there are very strict
16 schedules that they have to meet. Our schedules are
17 more flexible, because we're in this environment phase,
18 and therefore, you need to manage it on a month-to-month
19 basis. We will be making, the authority will be making,
20 a report to the board on a periodic basis so the board
21 is updated on these issues of the audit and as the audit
22 recommendations occurs.

23 On a new item, federal funding opportunity, the
24 US Department of Transportation has just released a
25 NOFA, as we refer to them, a Notice of Funding

1 Availability, for another half a billion dollars in
2 grant funding for infrastructure investment. It's
3 called TIGER. TIGER Discretionary Grant Program. This
4 will be their fourth cycle of TIGER grants. And of
5 this, up to 200 million is available for high-speed and
6 intercity transportation projects. We are working at
7 this stage -- this has just been granted. We need to
8 apply. These things always happen very fast. We need
9 to apply by February the 20th, and we will be working
10 together with northern and southern Californian
11 authorities with the aim to try and find, as we had
12 recommended in our business plan, some opportunities for
13 early investments, whereas such TIGER loans could really
14 be good to be able to do smaller projects in northern
15 and southern California.

16 Next point is the agricultural working group.
17 Just if people understand, this group is very active.
18 The agricultural working group, being guided by Jeff
19 Abercrombie in the Central Valley, has met, for
20 instance, on January the 13th, January the 27th, and
21 will again meet on February the 6th. We should have a
22 web page up for them next week in our website with the
23 documents that we will be collecting for agricultural
24 working group.

25 The idea is to post white papers on there. I

1 mentioned once before to you, but we have been just
2 reading and finishing off the first of such white papers
3 down there. They're not authority people. They're
4 people of the industry, the local government out of the
5 valley.

6 The first one is on pesticide regulations,
7 something that is of concern to the farmers in the
8 Central Valley, and that should be available within a
9 week or so. The next one we're looking at is on the
10 impacts of high-speed rail on dairy operators.

11 So the activity is really accelerating, and I
12 think it's going bring good results to the people of the
13 Central Valley.

14 On the Merced, Fresno project EIR/EIS, you know
15 that you had made a determination of the preferred
16 alternative there, and staff and consultants are working
17 hard to respond to the various comments that we have
18 received and to prepare the final EIR/EIS documents.
19 And the target date, as I would like to make everybody
20 aware of, is for the May, the early May board meeting,
21 to bring the final document to the board.

22 We are continuing discussions with quite a lot of
23 the stakeholders, and here, I also thank Member
24 Richards, who obviously is in that region, but, you
25 know, we've had meetings with, for instance, Chowchilla.

1 We have had meetings with Merced. We had meetings in
2 Fresno, the Madera Farm Bureau. And as these meetings
3 continue, we have our own meetings, again, next week, to
4 ensure that as we move toward the final -- what's in the
5 final, incorporates the right understanding. It has to
6 be within the parameters you set in your decision, but
7 clearly, there's more detail that goes into it based on
8 the input that we received.

9 Also of importance to the people of the area,
10 appraisers will begin meeting with the affected property
11 owners in the City of Fresno sometime, maybe later this
12 month, early next month. And there are some activities
13 going on in the area, in the earliest section, which is
14 in Fresno itself, to have more meetings with the people,
15 with the locals, to inform them of the processes and how
16 this activity will continue.

17 For the Fresno, Bakersfield EIR/EIS, we are
18 working on preparing the revised draft EIR or
19 supplemental EIS, as it's called, for Fresno to
20 Bakersfield. We know that we are putting in further
21 alternatives, which we have brought to the board, and we
22 should be issuing those documents later this spring.

23 Also, continuing discussions are taking place
24 with stakeholders. I mentioned to you, some meetings
25 have taken place with Bakersfield. We believe that

1 those meetings are very successful, with the water
2 districts. So we continue to speak to the people in the
3 area.

4 Now, I'd like to speak a bit about small
5 business, disadvantaged business issues. Ms. LaCome
6 already indicated this today in her public comment. You
7 know as well that the authority received a letter on
8 September the 15th from the FRA of last year and -- that
9 contained their final decision with respect to a
10 complaint filed against the authority by the Associated
11 Professional and Contractors on December the 8th, 2010.
12 So there is various activities that have led out of that
13 letter from the FRA. I'd like to just touch on the few
14 on the executive summary of Title 6 Plan.

15 So the letter required that the authority submit
16 a Title 6 plan as required by the Title 6 of the Civil
17 Rights Act of 1964. The authority has prepared a draft
18 Title 6 policy on the policy and plans that's under
19 internal review. The policy and plan will be presented
20 to the board at the April 2012 board meetings for
21 approval and adoption. So we will be moving forward on
22 that item also talking to the industry about it.

23 The second is, this is what Ms. LaCome mentioned,
24 there was a request of the FRA to require action
25 pertaining to the establishment of the Business Advisory

1 Council. So the intent of the Business Advisory Council
2 is to provide a forum to facilitate the participation of
3 small, disadvantaged, disabled veteran businesses as
4 well as micro businesses and non-small business
5 representation via construction professional services,
6 business trade members, associated to provide commentary
7 and insight in the authority policies and practices and
8 effect or impact small business utilization,
9 participation of High-Speed Rail Authority project on
10 its contracts.

11 So we have solicited 68 Californian-based
12 businesses, trade organizations. We would look for 20
13 members. 34 have responded with interest letters, and
14 we are now obtaining further data from them. We will
15 then meet the propose 20 final organizations. They will
16 be presented to the board, again, in April. So in
17 April, you'll have quite a big small business DBE
18 presentation to you for approval and adoption of this
19 particular council. So we will come to you requesting
20 that you approve the formation of this Business Advisory
21 Council in April.

22 Then we have the third item, similar direction,
23 and that is the SBE, DBE, public program plan, public
24 facilitation. On November the 3rd, the board -- of
25 2011 -- the board approved the draft Small Business,

1 Disadvantaged Business Enterprise program for release
2 for public facilitation to receive commentary and
3 feedback. On December the 13th, the board approved the
4 authority's request to extend public comment to January
5 the 16th -- so -- of 2012 in consideration of the
6 holiday season that was upcoming at the time.

7 So now what have we done. On the public
8 facilitation side, electronic notification, the
9 authority developed a database of over 21,000
10 stakeholders to distribute the information pertinent to
11 the authority's draft SBE, DBE program and the public
12 comment period. Ten electronic notifications were
13 distributed from November the 15th to January the 30th,
14 2012. So from 2000 to 2012. Over 162,270 emails were
15 sent.

16 On the public notices side, public notices were
17 advertised in 21 diverse notifications to notify the
18 public that the authority was in the process of
19 soliciting comments. We had listening sessions on
20 December the 1st, 2011 in San Francisco; December the
21 13th, 2011 in Merced, California; and then on January
22 the 12, together with our board meeting there in Los
23 Angeles, we had a parallel running session, listening
24 session. We also participated at the Senate select
25 committee on procurement. It was informational hearing

1 and -- organized, hosed by Senator Curren Price on
2 January the 5th, and we were there and participated at
3 that as well.

4 We also have a website and the authority
5 encourages individuals in visiting our website to submit
6 any commentary on the draft SBE, DBE programs. We try
7 and be as open as possible to try and get whatever we
8 can to make sure that this program becomes a success for
9 our project.

10 On a completely different topic, present and new
11 monthly board meeting schedules. You know that you
12 adopted a board meeting schedule in November of last
13 year. I just wanted to advise everybody that there will
14 be an additional board meeting on April the 19th, 2012
15 to decide on the preferred alignment, Bay Area to
16 Central Valley following the re-issuance of that
17 documentation. So that will take place on April the
18 19th.

19 Then I would also just like to advise everybody
20 that the -- what we referred to previously as the May
21 3rd, Thursday, May the 3rd, board meeting will mostly
22 likely be a two-day meeting or one-and-a-half day
23 meeting, May 2nd, May 3rd, because of the work that
24 needs to be done related to the Merced, Fresno
25 Alignment, which could well take longer and everything

1 that's on the agenda, to do that. That may be a
2 two-day, one-and-a-half day meeting May 2nd, May 3rd,
3 which is a Wednesday.

4 MS. SCHENK: Where? Where?

5 MR. VAN ARK: That, I think right now is
6 presently scheduled for Fresno. The one in April is
7 scheduled for Sacramento.

8 Stationary planning funding agreements. We
9 signed the final funding agreements with Fresno.
10 Obviously, Fresno is our first location on the first
11 station that we will be building. So we were happy that
12 we could conclude that agreement with them for station
13 area planning, and we issued an NTP for the station area
14 planning for Fresno.

15 On the business plan side, you already heard
16 that, you know, the period for commentary closed January
17 the 17th. There were a large amount of comments
18 received. Obviously, many of them are duplicative,
19 because that is quite common and quite normal, but the
20 team is working very hard on analyzing them and ensuring
21 that we do the right type of update to the business plan
22 to meet the expectation of as many of the stakeholders
23 as possible.

24 We are currently also coordinating with many
25 regional rail operators for further analysis and

1 inclusion of the blended sytem, because clearly there
2 was a very strong positive drive and positive acceptance
3 of the blended system. And so we are doing a lot of
4 work with the regional rail operators to further advance
5 of that work.

6 The right-of-way acquisition advanced services.
7 Although it has taken a while, you know that we had
8 requested for -- through the Department of Finance from
9 the legislative \$18 million of funds needed to prepare
10 and to advance services so as to ready ourselves for
11 right-of-way acquisitions in the Central Valley. These
12 funds have now be approved, and this work can now begin
13 in the Central Valley section.

14 The hiring of a new CEO for the authority to
15 replace myself. The California High-Speed Rail
16 Authority intends to -- Mr. Tom Fellenz is heading this
17 together with HR to sign a contract with CPS Consulting
18 to perform a survey, which is necessary, as well as to
19 do the CEO search support of the board. The contract
20 must still be approved by DGS, or the Department of
21 General Services, which is expected in the next week.

22 CPS is a joint powers authority and a party to
23 the MOU with the State of California, which allows the
24 authority to directly contract with them because the
25 terms and conditions are already laid down. CPS has

1 submitted a proposal for these initial services of
2 \$34,000, which is the contract that we are busy
3 concluding with them at the moment. CPS is doing then
4 the services at the moment. CPS was also, just for the
5 information of the board members who are not around at
6 the moment, was the firm that was also involved in my
7 own search, and they have been in some meetings with
8 Mr. Fellenz and our HR folks to, at least, start the
9 process.

10 Staffing at the authority, not much has changed.
11 Unfortunately, the number at the authority currently
12 stands at 29 and a half heads. "Half" is somebody who
13 works part-time. It's not that we do something with the
14 staff. It's a person that part-time. Out of 54 --
15 sorry. 54 budgeted positions, 29 and a half are full.
16 Unfortunately, the senior management positions, the
17 Chief Program Manager, Financial Officer, Regional
18 Directors in the regions, as well as the risk managers
19 have not yet be filled. And clearly, there is a need
20 that these people in these positions get filled soon,
21 because as the project accelerates, these jobs are
22 really necessary. These people are really necessary.

23 Mr. Chairman and members, that's my report for
24 today. I'm ready to answer any questions if there are
25 any.

1 CHAIRMAN RICHARD: Any questions from
2 members for Mr. Van Ark?

3 Thank you very much for that comprehensive
4 report. We appreciate that.

5 At this time, the board will enter into closed
6 session under the various state statutes that allows us
7 to that to consider matters of personnel, but before we
8 leave -- I'm sorry. Vice-Chair Schenk?

9 Yeah. We will have a five-minute break.

10 Before we leave, I would like to do one thing.
11 We'll be adjourning after the closed session. There's a
12 tradition that we had when I was on the BART Board that
13 I always thought was good, and that was on occasion, we
14 would adjourn the meeting in the memory of someone from
15 our community who had passed on, who was a good civic
16 leader.

17 And so I'd like to suggest today that we adjourn
18 our meeting today in memory of Walter Johnson, who died
19 recently. He was the head of the San Francisco Central
20 Labor Council, Head of the Steel Workers Union and a
21 real fixture in the labor movement in California, and in
22 his community country. He was a very eloquent and
23 decent man, and I had occasion to work with him, and he
24 was a great laborer and civic leader in our state.

25 So without objection, if the minutes could show

1 that we adjourned in his memory, I'd appreciate that.

2 Okay. We'll take a five-minute break. We'll
3 enter into closed session. Thank you all, and have a
4 good day.

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6 (Whereupon the proceedings concluded at 12:21 p.m.)

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1 I, Brittany Flores, a Certified
2 Shorthand Reporter of the State of California, duly
3 authorized to administer oaths, do hereby certify:

4 That the foregoing proceedings were taken before me
5 at the time and place herein set forth; that any
6 witnesses in the foregoing proceedings, prior to
7 testifying, were duly sworn; that a record of the
8 proceedings was made by me using machine shorthand which
9 was thereafter transcribed under my direction; that the
10 foregoing transcript is a true record of the testimony
11 given.

12 Further, that if the foregoing pertains to the
13 original transcript of a deposition in a Federal Case,
14 before completion of the proceedings, review of the
15 transcript () was () was not requested.

16 I further certify I am neither financially interested
17 in the action nor a relative or employee of any attorney
18 of party to this action.

19 IN WITNESS WHEREOF, I have this date subscribed my
20 name.

21
22 Dated:

23
24 _____

25 Brittany Flores CSR 13460